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America and the Reconstruction of Russia

By Stewart P. Elliott

Managing Director, Grace China Company

A Review of China's Finances in 1918

By Hollington K. Tong

The Commercialization of China's Railways

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Ten Years' Trade With China

[Prepared by the Far Eastern Division, U. S. Bureau of Foreign and Domestic Commerce]

THE factors affecting trade with China are so many and so diverse that any consideration of trade statistics would be incomplete without a thorough knowledge of them. These factors may be briefly stated as the price of silver, ship tonnage and freight rates, high prices of foreign articles, internal dissensions, and floods.

In a capital-importing country like China the purchasing power of the people is directly dependent upon the amount of money received from foreign sources, either in exchange for products or as remittances from relatives abroad. As practically all of China's customers are on a gold basis, the relative price of silver in terms of foreign gold money amounts to practically the relative purchasing power which the Chinese people exert.

The equivalent of the haikwan tael, the unit in which the customs revenues and all other values are stated in United States gold, from 1908 to 1917 was as follows:

Years	Value of Haikwan tael	Years	Value of Haikwan tael
1908	$0.65	1913	$0.73
1909	.63	1914	.67
1910	.66	1915	.62
1911	.65	1916	.78
1912	.74	1917	1.03

This means that the Mexican silver dollar, or a "shoe" of silver (silver melted into the form of a shoe for convenience in transportation), or any other medium of exchange used in China, has increased in value more than 35 per cent in 10 years and this increase has taken place practically since 1915. The persons holding silver in 1917 were able to buy just 35 per cent more goods from a foreign country on a gold basis than they were with the same amount of silver in 1918. The value of Chinese products in terms of gold money has been correspondingly decreased.

In normal times the rise of silver would be expected to stimulate imports and depress exports, but in the past two years the chief effect of the rise in exchange has been the tightening of the money market, due to the great temptation offered to buy gold at favorable rates, thereby stripping the Chinese silver markets of currency. Moreover, the Chinese emigrants abroad, upon whose remittances a large number of their relatives at home depend, have been loath to send money at so great a loss in exchange and have likewise refrained from ordering their usual quantities of home-produced articles, and in this way the rise in silver has also acted adversely upon the purchasing power of the people in China.

The constantly decreasing tonnage available for any other than war trade and the resulting increase in freight rates has caused China to look to its own resources for raw materials and to sources close to home for manufactured articles.

Continued high prices of foreign articles which the Chinese were accustomed to import has in a great many instances forced the Chinese to substitute a home product for an imported one. Thus, the increased use of vegetable oil as a fuel oil to replace kerosene. Yet, where such substitution is impossible, as in the case of cotton goods, despite enormous increases in the price of such goods, the Chinese demand has remained consistent. The amount of cotton goods purchased in 1917 was more than $22,000,000 over that of 1916, thus proving that Chinese foreign trade is a hardy and rapid growth able to adapt itself to very unpromising circumstances.

China is a land of distances, even more so than America, with only a small area covered by railroads, and the great amount of inland commerce is carried on by boat and caravan. In troublesome times, such as the past 10 years, small groups of bandits or revolutionary leaders are able to greatly increase the risk of carrying on trade by serious and arbitrary restrictions, and sometimes by robbery and death. In some districts this has had the effect of stopping trade altogether for a number of months. China is also periodically visited by great floods which not only render the rivers unnavigable but ruin crops and consequently destroy wealth and purchasing power.

Bearing in mind the numerous factors affecting China's trade in the past 10 years the following table showing the proportion of China's foreign trade enjoyed by the United States during this time—as published in the second annual report of the proceedings of the American Chamber of Commerce in China, for the period ending April 1, 1918—presents an interesting comparison. (The original statistics in haikwan taels are given, as of more value for comparative purposes than if converted into gold at a different rate of exchange for each year.)

Years	Total	Imports from United States	Per cent of United States imports
	Haikwan taels	*Haikwan taels*	
1908	395,000,000	42,000,000	10.4
1909	418,000,000	33,000,000	7.7
1910	463,000,000	24,000,000	5.3
1911	472,000,000	40,000,000	8.7
1912	473,000,000	36,000,000	7.6
1913	570,000,000	35,000,000	6.2
1914	569,000,000	41,000,000	7.2
1915	455,000,000	36,000,000	8.2
1916	516,000,000	52,000,000	10.4
1917	549,000,000	61,000,000	11.1

Years	Total exports	Exports to United States	Per cent of United Stated exports
	Haikwan taels	*Haikwan taels*	
1908	276,000,000	23,000,000	8.3
1909	339,000,000	33,000,000	9.5
1910	381,000,000	31,000,000	8.5
1911	377,000,000	34,000,000	9.0
1912	370,000,000	35,000,000	9.5
1913	403,000,000	38,000,000	9.3
1914	357,000,000	41,000,000	11.3
1915	420,000,000	61,000,000	14.5
1916	482,000,000	70,000,000	14.9
1917	463,000,000	95,000,000	20.5

The imports have increased 40 per cent in 10 years (from 395,000,000 taels in 1908 to 549,000,000 taels in 1917), while the exports have increased 70 per cent (from 276,000,000 taels in 1908 to 463,000,000 taels in 1917). The unfavorable balance of trade has decreased from 119,000,000 taels in 1908 to 86,000,000 in 1917.

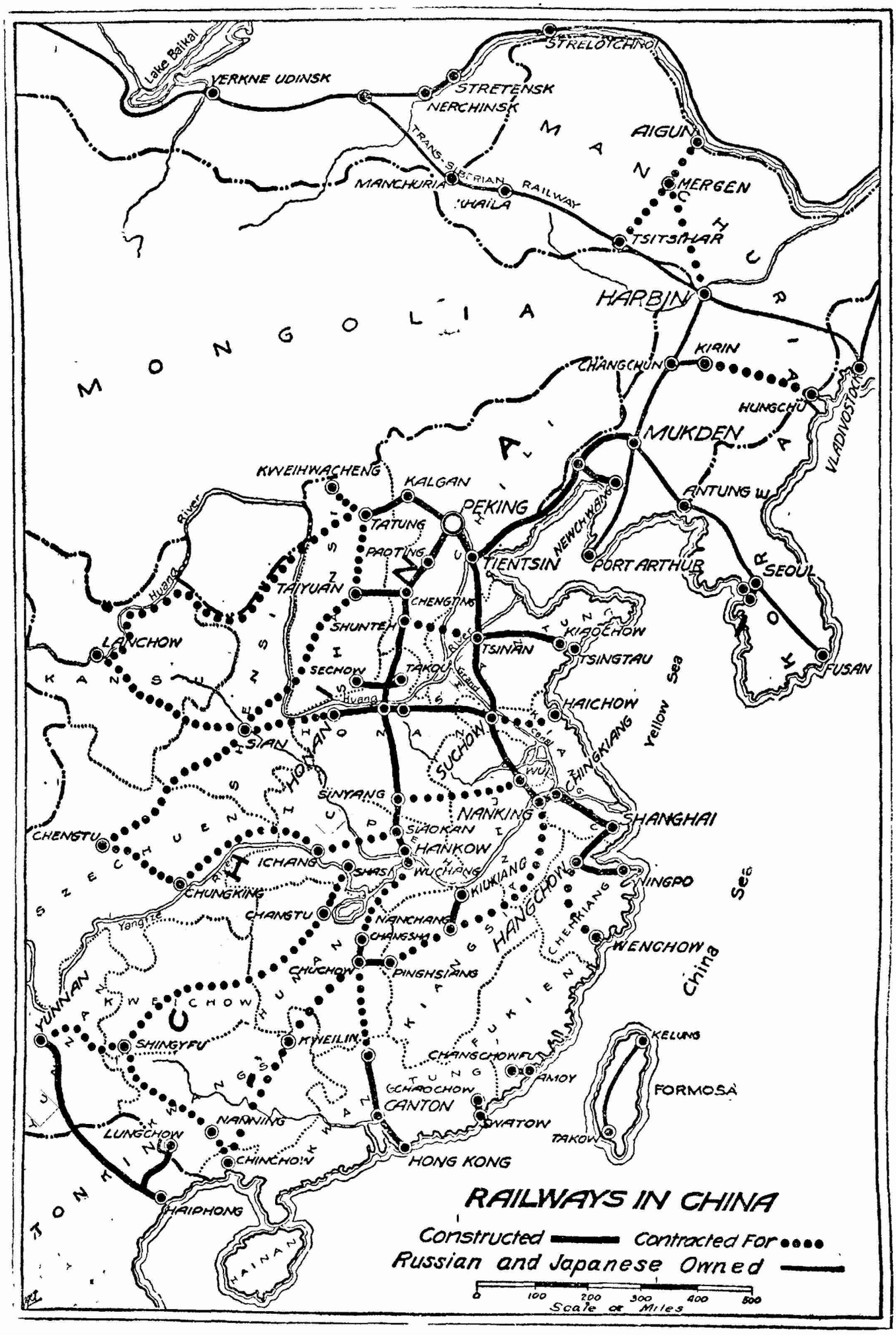
The steady increase in exports, due to ever-broadening markets for China's raw materials, has been one of the predominant factors governing the increase in purchasing power and in imports and the consequent growth of trade, for with an increase in wealth, even though largely expended abroad for necessities, a certain proportion is certain to remain in permanent investments of lasting benefit, such as machinery, tools and agricultural implements.

The following table gives the value in millions of taels of the goods imported into China for the past 10 years:

Articles	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917
	Value in million taels									
Cotton goods	110	137	139	143	144	182	183	149	136	158
Cigarettes and material	2	5	6	7	8	12	13	12	25	31
Rice	26	15	30	18	11	18	22	25	33	29
Sugar, refined	7	11	10	11	10	14	12	13	19	28
Metals and minerals	22	16	22	21	18	29	28	18	26	25
Kerosene, American	17	13	11	23	14	14	24	18	23	24
Coal	8	8	8	8	8	9	8	8	8	15
Leather	2	4	4	4	6	7	5	5	7	9
Sugar: Brown	7	7	5	4	5	9	7	7	8	7
Sugar: White	4	6	5	5	7	10	9	7	6	6
Opium	34	35	55	48	47	41	37	24	10	6
Cotton, raw	1	2	4	1	6	2	2	6	8	6
Kerosene, Sumatra	6	6	6	7	6	6	6	5	4	6
Machinery	6	5	10	5	5	6	8	6	6	5
Matches	5	5	5	5	7	6	5	5	7	5
Paper	2	3	4	4	3	6	5	4	8	5
Electrical materials	1	1	1	1	1	2	2	2	3	4
Soap	1	1	2	2	2	3	3	2	2	4
Miscellaneous piece goods	2	2	3	2	2	3	4	3	3	4
Clothing and hats	1	1	2	2	2	3	3	2	3	4
Woolen goods	4	3	4	4	5	4	4	3	2	4
Woolen and cotton mixtures	1	2	2	2	3	3	2	1	1	2
Sundries	125	133	134	144	156	183	177	131	167	163
Total	396	418	463	472	473	570	569	454	516	549

The main article of import, cotton goods, is gradually playing a less important part in the foreign trade, although in 1916 and 1917 it still represents 27 per cent of the total imports. This gradual decrease from 32 per cent in 1913, 1914, and 1915 is largely due to the introduction of cotton weaving and spinning in China, with the aid of foreign and local capital.

(To be Continued)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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING SHOULD BE ADDRESSED TO THE REVIEW AT 113 AVENUE EDWARD VII, SHANGHAI, OR TO J. L. HUTCHISON, REPRESENTATIVE IN AMERICA AT ROOM 529, 17 BATTERY PLACE, NEW YORK, U. S. A.

ON January 21 Viscount Uchida, Japanese Minister for Foreign Affairs, speaking before both houses of the Japanese Diet, gave notice to China and to all the world that Japan expected the treaty which she negotiated as a result of the Twenty-one demands to be confirmed by the peace conference. It was the first authoritative announcement that has been made on Japan's peace terms since the signing of the armistice and must indicate to all who have followed the Far Eastern political situation that Japan is prepared to play a strong game at the peace conference and that she hopes to emerge therefrom with a stronger position in China than she now enjoys and with a clear title to everything now in her possession. The main part of Viscount Uchida's speech was given up to those glittering generalities with which the Japanese are so adept at camouflaging their serious purposes. Japan, he says, is determined to cooperate sincerely with the Allies at the peace conference with the idea of preventing the outbreak of war for ages to come. He does not suggest how this is going to be accomplished, nor does he declare Japanese policy in regard to any of the great international issues which are now beginning to be discussed at Paris. It is only when he comes to the question of China that he makes specific statements. He repeats the pledge made some time ago that Japan will "refrain from giving to China any financial assistance either in the form of a loan or in any other manner calculated to create the apprehension that it might foment political complications." He cautiously adds, however, that the government cannot "undertake to discourage any financial and economic enterprises of their nationals so long as they are the natural and legitimate outgrowth of the

special relations between the two neighboring and friendly nations." This last phrase, of course, can be interpreted in many different ways and a reference to the article published in this issue of the REVIEW regarding the numerous loans Japan has made to China will indicate how liberally the Japanese themselves interpret this policy.

VISCOUNT Uchida's statements are of special interest when he deals with the knotty question of Kiaochow. He states "upon the acquisition of the right of free disposal from Germany of the leased territory at Kiaochow, we would restore it to China in accordance with the terms of the Notes complementary to the treaty of May 25, 1915, regarding the Shantung province." This treaty of May 25 is the one which China signed as the result of the notorious Twenty-one demands. The circumstances under which the Chinese were compelled to sign this humiliating document are too well known to our readers to be repeated here. The abrogation of this treaty is one of the most important desiderata China will present to the peace conference. As the most recent and one of the most violent attacks on the sovereignty of China, the Chinese naturally feel that in asking the cancellation of the treaty they deserve the support of the Allied nations. That part of the treaty to which Viscount Uchida refers and which he evidently expects the peace conference to endorse reads as follows:

Article 1. The Chinese government agrees to give full assent to all matters upon which the Japanese government may hereafter agree with the German government relating to the disposition of all rights, interests and concessions which Germany, by virtue of treaties or otherwise, possesses in relation to the province of Shantung.

Article 2. The Chinese government agrees that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu Railway, if Germany abandons the privilege of financing the Chefoo-Weihsien line, China will approach Japanese capitalists to negotiate for a loan.

Article 3. The Chinese government agrees in the interest of trade and for the residence of foreigners, to open by China herself as soon as possible certain suitable places in the province of Shantung as commercial ports.

Among the supplementary notes are the following:

Within the province of Shantung or along its coast no territory or island will be leased or ceded to any foreign Power under any pretext.

That the places which ought to be opened as commercial ports by China herself as provided in Article 3 of the Treaty respecting the province of Shantung signed this day, will be selected and the regulations therefor, will be drawn up by the Chinese government itself, a decision concerning which will be made after consulting the Minister of Japan.

The whole of Kiaochow Bay to be opened as a commercial port.

A concession under the exclusive jurisdiction of Japan to be established at a place designated by the Japanese government.

If the foreign Powers desire it, an international concession may be established.

As regards the disposal to be made of the buildings and properties of Germany and the conditions and procedure relating thereto, the Japanese government and the Chinese government shall arrange the matter by mutual agreement before the restoration.

THERE are other significant matters in Viscount Uchida's announcement. It may be remarked in passing that by securing from the peace conference the recognition of the treaty regarding Shantung, Japan also secures recognition of the entire treaty and of the right to again press the demands known as "Group V." But he hints at still more things Japan may want:

At the same time we have to rely in a large measure upon the rich natural resources of China in order to assure our own economic existence. I have no doubt that both government and people of China, in full appreciation of their friendly and neighborly relations with Japan, would not deny us the needed cooperation in this respect. They may certainly count on our ready assistance, regardless of the nature and magnitudes of the case, that may arise in the realisation of their legitimate aspirations which would at all be conductive to the promotion of the general welfare of China, not to mention the question of the financial and economic aid necessary to the security and happiness of China in general.

If the open door is to be maintained in China, and as Viscount Uchida says elsewhere in his statement "Japan has no aspiration but to seek the consummation of the free and unfettered development of her national life along the highway of justice and peace," why should the government of China be called on to "cooperate" in supplying Japan with raw products. Does Viscount Uchida mean that China will be asked to make still further contracts which barter away China's natural wealth?

DURING the last fortnight, the papers of China, both foreign and Chinese, have had much to say of the examination and burning of the Indian opium stocks which were purchased by the Chinese government from the Shanghai Opium Combine a year ago. Although in these days waste in any shape or form is almost a crime, we do not criticise the spending of a few million dollars if by that means China could once more prove to the world her sincerity in grappling with an evil which threatens to endanger the vitality of her people. In spite of the recrudescence of poppy cultivation in distant provinces like Kansu, Shensi, Kirin and a few others, which the present unrest of the country

has largely brought about, we firmly believe that the opium suppression policy of the government, which is demanded by all classes of public opinion, will be faithfully carried out. Critics of China, when drawing attention to the temporary renewal of poppy growth in this country, are inclined to forget that only twelve years ago, that is before the signing of the ten-year opium agreement between China and Great Britain, the two Southern provinces of Szechuen and Yunnan, which are now entirely clear of the poppy, used to produce 300,000 piculs of opium, or one-half of the total internal output of China. Let us, as well-wishers of this unhappy country, bullied as she has been within by her ignorant and grasping Tuchuns and outside by a powerful and relentless neighbor, give her sympathy and encouragement in her constructive problems rather than with fruitless and superficial criticisms. While on this matter, we wish to refer to the urgent need of cooperation of the Powers having treaty relations with China to assist China in rigidly stamping out the enormous smuggling traffic in opium and morphine which has been carried out by some of their nationals. Apart from the revelations first made public some weeks ago by the *North China Daily News*, in which it was pointed out that the government opium in Calcutta was sold to representatives of Japan to be eventually disposed of in China through Formosa, Amoy, Tsingtao and Dairen, and the constant leakage through the Burman frontier, we have authentic information that a powerful combine exists in Hongkong to smuggle Indian opium into China through the Southern ports. Such leakages could in our opinion be easily put a stop to by the governments concerned and would do much to contribute to an early termination of the opium traffic.

THE extensive sale of morphia and cocaine to the Chinese people by Japanese peddlers and drug stores in China with the reported backing of their officials, as recently disclosed by the foreign and Chinese press in Tientsin and other cities, has aroused so much attention that some twenty members of the Peking parliament have finally introduced a bill urging the government to see to it that the new vice which is fast catching hold of China's teeming population, is stamped out with all vigor and to open negotiations with the Japanese government for the revision of the regulations concerning the examination of Japanese goods by the Chinese Customs and the control of the Japanese post-offices in Chinese territory, which are said to be responsible for the importation of morphia and cocaine into China. The bill reveals the astonishing fact that over eighteen tons of morphia have been annually imported into China from Japan and that the number of the people suffering from the drug is more than one million. No person addicted to the evil, no matter how strong he may be, can live for ten years. The bill states that there will be no need for Japan to send troops or warships to conquer China as after twenty years few able-bodied citizens of China will survive to accept an armed contest with Japan. There is a general belief prevalent among Chinese that the Japanese government has deliberately employed morphia as a most poisonous weapon to subjugate China and her four hundred million people to its rule. More people in Manchuria than in any other province, according to the bill, are using morphia. Manchuria is to-day considered by the Japanese a Japanese province, and Japan is trying to extinguish all able-bodied Chinese living there and replace them with her own subjects.

THE bill gives the information that the Japanese merchants formerly imported morphia from Europe. As the war stopped all trade, they established factories for the manufacture of morphia out of opium imported from India and Persia. They are sending the whole output of their factories to China. The usual way in which they transport the drug is through the Japanese postoffices. It is said in the bill that the Japanese postoffices specially allow their merchants to smuggle morphia into this country under the disguise of merchandise parcels in order to avoid examination by the Chinese Customs. As the Japanese postoffices are found in many parts of China, this clever method of smuggling the dreadful poision can be safely employed without being detected. The drug, according to the bill, is mostly imported through Dairen, Antung, Tsingtao, Foochow and Amoy. In August of 1915 an agreement was made with the Japanese government whereby all the Japanese goods imported into China are exempt from Customs examinations if they are covered by special permits of the Japanese government. It is also learned that through the influence of Japanese members of the Customs at Tsingtao and Antung such contraband articles as morphia, opium and munitions and arms for robbers are usually allowed to enter the country free from examination. The Japanese people are doing their utmost to get control of the Customs into their hands, so that the illicit trade can be practised on a greater scale, states the bill to parliament. The Japanese officials in Manchuria are either officially or unofficially according their protection to morphia traders. In Shantung, the Japanese railway police invariably rescue Japanese who are being searched by the Chinese police for morphia and secure the punishment of the latter. The morphia or opium peddlers

in South China carry with them Japanese official permits stating that they are natives of Formosa and thus entitled to Japanese protection. Since the time when China decided to stop the opium and morphia evil, there has never been a case in which Japanese subjects were involved. This is due to the efficacy of extraterritoriality.

THE bill then refers to the severe punishment meted out by their own government to Japanese who are found using morphia. Japanese police in Japan are given the power to enter houses and search for the drug. In consequence, Japan is free from the evil of opium or morphia, but she has been attempting to prevent the carrying out of the order by the Chinese government for the prohibition of opium-smoking or the use of morphia-injections in China. As Japan is a party to the treaty made by Great Britain, America and ten other nations for the prohibition of the importation of opium and morphia into China for purposes other than medicinal, she must observe the treaty. The bill then recommends that the Chinese government revise the regulations for the punishment of morphia cases made in 1914 and increase the severity of the punishment, and urges that those members of the Customs who do not carry out the orders of the government be summarily dismissed and punished.

THE commercialization or centralization of all of the railways of China under one board of management to be composed of one representative from each of the following nations, America, Great Britain, France, China and Japan, is discussed elsewhere in this week's issue of the REVIEW. Owing to the fact that this is one of the matters to be brought forward by China's delegation to the peace conference, and to the further fact that the same matter is receiving serious consideration in other parts of the world, we desire to recommend that our readers in China make a serious study of the problem. Whether the plan outlined in this article is adopted is not of special importance, the important point being that *some* plan must be adopted that will end the commercial strife and jealousies that have existed in this country for the last thirty years, and which have served to block the development of China. Probably the most important feature of the general idea of nationalizing the Chinese railways lies in the fact that all nations will gain, for the element of national competition and intrigue will be eliminated. When this general subject comes up for discussion at the peace conference or at a special conference afterwards, the Japanese government is expected to be one of the strongest advocates of the idea, for with the elimination of the German and Russian menace from North China, she will have nothing further to fear in this direction and can concentrate her whole attention upon the development of China in a large way. Her cooperation with America, Great Britain, France and China in their large and altruistic plan for the development of eastern Asia, will do much to disarm the suspicion that has attended her activities in China since the beginning of the war. And when China is covered with modern means of transportation and the country develops industrially, Japan naturally will be the largest gainer because of her favorable position geographically in respect to the coast of China.

JUST what the present military system of government means in handicapping the economic development of China, was recently disclosed by an official of the Ministry of Communications at Peking. On two of China's railroad lines at the present time there is said to be more than 50,000 tons of rice and other food products awaiting shipment because of the lack of freight cars (goods wagons). Owing to the present winter weather, these vital food products are actually rotting on the station platforms, because the Chinese merchants cannot obtain freight cars for moving it to the markets. And what has become of the empty freight cars, is the natural question. Exactly 1,000 freight cars are at the present time being used as sleeping quarters for China's brave internal army. The military governors have commandeered the cars for military purposes, and are using them to house their soldiers. And this doesn't end the sorry condition. The military governors have the right to ship military supplies for their armies over the Chinese railways at half price, so they avail themselves of their right to obtain freight space from the Ministry of Communications—then they sell this space to the merchants at any price the oppressed merchant can be forced to pay, the price depending upon the merchant's necessity for freight space. And this isn't all. The shortage of cars has led to all kinds of corrupt practises on the part of the station masters. Since there is much more cargo than freight cars, there naturally is a demand for cars from merchants who see themselves ruined because they can't get their merchandise to market. So according to reports many of the station masters are said to sell empty cars to the highest bidders, and thus have been able to make their jobs much more profitable. The coming internal peace conference would do well to first rid China of the menace of internal militarism—then indorse the plan for centralized nationalized railroad administration with a general board of railway experts and financiers in charge.

The Commercialization of China's Railways

AFTER practically thirty years of effort on the part of the railway engineers, promoters and financiers of the leading nations of the world, looking toward the construction of railways in China, less than seven thousand miles have been built. Frankly this means that the world's best financial and mechanical brains have been able to create in China, in a territory in excess of that of the United States, about 230 miles of railroad a year. We must all admit, regardless of our nationality, there must be something wrong with the system—for the people are here—the fertile land is here—the mineral resources are here—the Chinese people like to travel—and the lines that have been constructed are practically all profitable.

The construction of railways in China under the old system of "concessions," has had all of the thrills and characteristics of a game of checkers. The surface of the country, if all of the concessions or grants for the construction of railway lines could be reduced to paper, would look like a checker board. For thirty years the game has been a matter of move, counter-move and intrigue. If an American company, for instance, started a survey in one direction, immediately the British, Russian, French, German, Belgian and Japanese companies would consult their private maps, and then the process of blocking the American company would begin. Each nation would appeal to its legation at Peking for support and the Chinese government would in due course of time receive protests. If the line happened to be in Manchuria, the protest would come from the Japanese and Russians. If the proposed line was in Central or Western China, the protest would come from the British or French. If in South China, it would be the British, French or Belgians. If in East China it would be the Germans. So now we have all of the conditions of a railroad construction blockade in China. The Chinese government itself can't even construct a railroad line without running into some "concession" granted by past and gone Chinese officials. If all of these concession documents with accompanying maps and signed and sealed agreements could be gotten together, they would make a most interesting exhibit for the peace conference. The exhibit would constitute an important argument in favor of the League of Nations.

And when we go into the causes for this condition, we are unable to place the blame. No one nation has been less guilty than the others, with the possible exception of the United States—and the fact that America has been less guilty than other nations has not been due to altruism so much as to the fact that the Americans have been too busy building their own railroads to be interested in railroad construction in China. With a somewhat intimate knowledge of past American railroad business ethics, we are not inclined to give any special credit in this direction. But owing to the fact that a new sense of business and national morality is sweeping the world, we believe that the time has arrived for giving one important phase of that new morality a practical application in China, an application that if properly carried out will see this broad country covered with modern standardized railroads within the next ten or fifteen years.

The nations that have an interest in the construction of modern means of transportation in this counry at the present time are: America, Great Britain, France, China and Japan. Germany, Russia and Belgium are necessarily out of the matter for the time being. Nobody has any prior rights or vested interests in the matter except China and she is financially incapable of doing anything alone. So for the best interests of all concerned for the future, it behooves America, Great Britain, France, Japan and China to get together, wipe the slate clean and make a new start and do something. Otherwise, immediately after the European peace conference, the scramble will start anew in China and it will be even more bitter than in the past and in about ten years China will have a few railroads. On the other hand there will be much bad feeling and in all probability there will be another war—a war that will cost more every week than all of the new railroad lines would cost if completed under the new plan.

Owing to the urgency of the matter, we would humbly recommend serious thought on this question now. We would recommend that all of the chambers of commerce of the nations involved in this problem immediately set to work and make constructive recommendations to their home governments, business men and financiers to the end that railroad construction under the new plan may begin at once and continue until all parts of this country are brought within reach of modern means of transportation—to the end first that China may take her rightful place in the world, and second, that the rest of the world may be able to obtain the raw products in which China abounds and which the rest of the world is hungry for.

These matters which we mention here, the commercialization or nationalization of the railways of China, are receiving serious consideration abroad, and at least one of China's peace delegations to France is going with a proposal along this line. In order that Americans, Britons, French, Japanese and Chinese in China may be familiar with the general details of the plan we will here attempt to summarize the general factors that have been evolved and studied out by persons who have made a serious investigation of the problem:

(1) The creation of a central Railway Board of the Ministry of Communications, composed of five members, one from each of the following countries: China, Great Britain, America, France and Japan. The Chinese member to be appointed by the Ministry of Communications and the four foreign members shall be appointed by the Chinese government upon the nomination by members of the Consortium Bank Group, their salaries and expenses to be paid by the Chinese government. (2) Department chiefs shall be chosen from foreigners or Chinese on a basis of merit only. The aim shall be to train Chinese for administrative positions as rapidly as possible. (3) The railways shall be considered as one system, but for administrative purposes, shall be subdivided into zones or districts as appears most convenient for operation and administration. District and divisional officers shall be selected from foreigners and Chinese, preference being given to Chinese to the extent that qualified men are available.

The board shall have full managerial authority over the railways in operation and the construction of all new railways financed by foreign loans subject to an accounting to the Ministry of Communications. All foreign loans shall be made on Chinese government account through the Consortium Banks. The nationals of each nation in the Consortium shall be at liberty to subscribe to the loans up to but not in excess of 25 per cent of any particular loan. Provided that in case any nation fails or can take only a portion of its quota, the balance may be secured in the most favorable money market. No bonds shall be issued for a period exceeding fifty years. The board shall refund all outstanding foreign loans so that the identity of foreign influence in any particular line may be eliminated. Any claims for losses that might result to investors by reason of such loss of identity with a particular line shall be adjudicated and compensated fully.

The board shall purchase on the account of the Chinese government at an agreed appraised fair value all foreign concession railways and any other railways now built in Chinese territory, which it may seem expedient to acquire, by paying for them out of the proceeds of the sales of Chinese government railway bonds.

The security for railway bonds shall be the consolidated National Railway properties and the Chinese government general credit. No bonds for new construction shall be issued without the approval of the Chinese government. Net profits shall be considered as being the balance of earnings for consolidated lines over and above all capital, operating, maintenance, depreciation, previous losses and other proper charges. The Consortium Bank Group shall be entitled to receive to not in excess of one-fifth of the net profits. Of the remaining four-fifths the Chinese government shall be entitled to one-half and the other half shall be placed at the disposal of the board for betterments, extensions, etc. The Chinese government's share of the surplus shall be released automatically.

The board shall proceed as rapidly as practicable with the necessary preliminary surveys to be used in the preparation of a comprehensive plan for railway and port development in China. The construction of new railway lines, terminals and harbor works shall be let upon the most favorable terms obtainable without reference to nationality or bidder. Materials and equipment shall be purchased without reference to nationality on the most favorable terms obtainable, except that Chinese products shall be favored and encouraged as far as is practicable. Neither the board nor the Consortium Bank Group shall be entitled to a commission on the purchase of supplies or materials and equipment.

The construction of new railway lines shall be under the immediate direction of the Superintendent of Construction and Maintenance. The Chinese government may appoint a Chinese director to represent its interests in connection with the executive of the work. The construction of railway port terminal and harbor work shall be under the immediate direction of the Superintendent of Port Terminals. The Chinese government may appoint a Chinese director to represent its interests during the execution of the work. The board shall in agreement with the Chinese government include in its construction program a reasonable percentage of development lines into backward or outer territories. Such lines which would not likely pay for a number of years should be carefully balanced in proportion to the good paying roads in order to assure a reasonable net profit from the railway system as a whole. The board in agreement with the Chinese government shall organize a development and colonization bureau to encourage settlement along the railways in backward or outer territories and to foster and promote such agricultural, stock-raising, forestry and resource improvement and development as would benefit the country and increase railway earnings.

It shall be the duty of the board to ensure efficient management in order to protect the loan investments of the Consortium Bank Group, but the underlying intent of the board's powers and functions shall be to promote the proper transportational development of China for the Chinese and to train Chinese executives and operatives in the science of railroading with the view that at the earliest practicable date the board may step out of authority and the Chinese assume full control and responsibility.

To summarize and fix in our minds the whole matter, the following points should be remembered:

China and Central Asia are approximately three times the size of the United States or of the whole of Europe. Large areas in Outer China and Central Asia are rich in undeveloped resources and fertile lands. These areas may be made to produce large quantities of staple products of which the world is in need, providing they are made accessible by means of modern transportation facilities.

China herself is a great storehouse of dormant wealth and untouched opportunities. She has a tremendous man-power, hardy and industrious, waiting to be directed into channels of constructive effort. China has approximately 7,000 miles of railways in operation as against approximately 30,000 miles in India and 250,000 miles in the United States. Most of the railways have been built by foreign capital through loan contracts or outright concession. With the advent of railways, special spheres of influence and exclusive privileges have developed that, partially or completely, in some instances, close the door to equal opportunity. China's proper development is being retarded thereby. These spheres and exclusive concessions threaten the Chinese national integrity and if perpetuated will continue to retard her proper development politically and economically. Worse yet, if the present conditions are permitted to remain, China will continue a hot bed of international intrigues and jealousies threatening the peace of the world. The Chinese people are essentially peaceful and democratic in tendency, presenting an opportunity to foster a national organization that will support and strengthen democratic ideals in the Far East.

The following things should be done: Wipe out the old sphere of influence, concessions and exclusive privileges in China and make a new start on the principle of "*No Special Privileges, but Equal Opportunities to all and Justice to China.*" Consolidate the contract loan railways, forming a Chinese national railway system with only sufficient foreign control, by a central business board (Chinese, British, American, French and Japanese) to ensure protection to the investments. Through this same central board provide the funds and purchase on China's account all the concession railways, making them a part of the Consolidated System.

Assist China to formulate a comprehensive plan of railway and port terminal development. Any foreign loans for construction and equipment to be handled through the central management board.

Make adequate provision for the training of Chinese in executive positions with the avowed purpose of turning full control over to the Chinese government as soon as ability to manage the system and safeguard the investment is proven. Consolidate the concessions at the various treaty ports, neutralize them under international administration that will assure the Chinese an increasing participation in municipal government until the time is ripe for full control. Abrogate all leases of continental territories converting the settlements into treaty ports under neutralized international administration.

Why these things should be done: Because the world needs the things the unused and backward lands in Asia can produce. Because China must be set aright and properly developed as a preliminary to making available the potential resources of Asia. For the reason that only by going forth and creating new wealth in the world can the huge burden of war debts be lightened.

Because it is *Good Business* in that China's enormous man-power may be more quickly and effectively set at constructive work, which would increase the productive and consuming capacity of the Chinese assuring a several fold multiplication of trade and investment opportunity for all. For the reason that it will strengthen and develop China politically and economically, remove the principal causes of intrigue and jealousies, and make more certain the continued peace of the world. Because it is RIGHT. And in conclusion it may be emphasized that fear and hesitancy in facing an unpleasant situation, with nations as with individuals, is fatal. A drifting policy will simply store up worse trouble for the future.

J. B. P.

A Review of China's Finances in 1918

BY HOLLINGTON K. TONG

THE year of 1918 has left a bad record from the standpoint of China's finances. It was made memorable by the unprecedented number of Japanese loans which the government concluded. It could be favorably compared with 1913 when the late President Yuan Shih-kai made the first reorganization loan of £25,000,000 or $250,000,000. The actual amount of money borrowed from Japan for the last year was approximately Yen 250,000,000, the greater part of which was paid over and squandered. During the same period the government also obtained nearly $200,000,000 from its revenue and other sources. After having met financial obligations, it likewise disposed of the remainder with little or no benefit to the people. The end of 1918 found the national treasury empty, and several official *yamens* were unable to secure regular allowances from the Ministry of Finance to pay the salaries of their members, whilst the applications of the militarists in the provinces, the lions of the hour, for funds also failed to receive the attention of Peking. In the meantime, the financial authorities were called upon to provide money for the demobilization necessitated by the cessation of the civil strife between the North and South, but they were helpless. At the close of the year the general financial outlook appeared rather gloomy, but not absolutely hopeless.

If—I yield to the temptation to use this nonsensical word—the Peking government had made good use of nearly $400,000,000 in 1918, China would be in an entirely different situation to-day. However, the political events, either decreed by Providence or the result of human failings, all contributed towards the wasting of this enormous sum. Far more than in any other year, they dominated and disturbed the financial policy of the government. During the last twelve months General Tuan Chi-jui, former Premier, for instance, made repeated endeavors to crush the South-western provinces by means of force, which in China means silver bullets.

The sole duty of his Minister of Finance was to raise money, whatever be its amount, to finance the so-called military campaigns which were undertaken, nominally, to chastise the unruly South into submission and thereby maintain the traditional dignity of Peking, but really to concentrate the power of government in one or two men. Unfortunately, the campaigns were more costly in 1918 than ever before. Why? Because a great portion of the military funds found their way into the filthy pockets of selfish generals. Premier Tuan, whose personal honesty can stand any challenge but whose judgment of his followers is very poor indeed, has good reasons to be disgusted with the whole affair. The people cannot, however, be blamed for withdrawing their support from him and being suspicious of his good intentions, not knowing what was going on behind the scenes.

At the end of 1917 and during the first few months of 1918 the government secured four instalments of surplus revenues of the Maritime Customs amounting to $14,000,000. In addition to this, beginning from December 1917, the Allied banks commenced to return to China the deferred Boxer indemnity (after China's joining the war on the side of the Allies, the payment of the Boxer indemnity was deferred for five years), namely $1,000,000 a month, or $12,000,000 a year. Besides the above, the government cancelled the German and Austrian Boxer indemnity of $3,400,000 annually. All these were unexpected items, and the year 1918 had an unusually promising beginning.

JAPANESE LOANS

In their frantic efforts to raise money for the military campaigns at any cost, the government authorities contracted more than twenty Japanese loans. Popular anxiety was aroused, as the money raised was employed, not for industrial development, but for the financing of the Northern forces against the South. Most of these loans are known to the public, but several of them of high importance have not yet been disclosed. I give below a list of the Japanese loans made either to the Chinese government or some semi-official organs in 1918, most of which have been acknowledged by the Japanese government in a financial statement recently issued:

			Yen
1.	Jan.	Mitsui Bussan Kaisha to the Central government on the Bureau of Engraving and Printing	2,000,000
2.	„	Yokohama Specie Bank's share of Group Bank advance for flood relief	200,000
3.	„	Mitsui Bussan Kaisha to military governor of Chihli for military purposes	1,000,000
4.	„	Second advance on Second Reorganization Loan by the Yokohama Specie Bank	10,000,000
5.	„	Japanese Syndicate to rebel government of the province of Hunan	2,000,000
6.	„	Yokohama Specie Bank to the Central government for suppression of plague	1,000,000
7.	„	Loan to the province of Fukien for general purposes	1,000,000
8.	„	Mitsui Bussan Kaisha to Chihli Province for purchase of yarn for spinners for flood relief	1,000,000
9.	„	Tai-hei Kumei Syndicate to Central government for purchase of arms	14,000,000

10.	Jan.	Second loan to Bank of Communications made by Bank of Chosen, Bank of Taiwan and Industrial bank	20,000,000
11.	April	Chosen Group of Banks to Telegraph Administration for extension of lines	20,000,000
12.	„	Loan to Fengtien province made by the Bank of Chosen	3,000,000
13.	Feb.	Shihpingkai-Chengchiatun Railway loan made by Specie Bank	2,600,000
14.	„	Nanjin Railway Loan—between Nanchang and Kiukiang	100,000
15.	April	Wireless Loan	3,000,000
16.	May	Loan to Chihli Province by the Chosen Bank	1,000,000
17.	June	Kirin-Huaining Railway Loan by Banks of Chosen, Taiwan and Industrial Bank of Japan	20,000,000
18.	„	Loan to Shensi Province	2,000,000
19.	„	Yokohama Specie Bank to Hupeh Province	1,000,000
20.	„	Okura Group to Central government	2,000,000
21.	July	Kirin Forestry Loan made by Industrial Bank of Japan and the Chosen Group of Banks	30,000,000
22.	„	Second reorganization loan —third advance	10,000,000
23.	„	Loan on Yu Kan Iron mines, Kiangsi province	3,000,000
24.	Sept.	Loan to Shantung Province	1,500,000
25.	Oct.	Peking Telephone Loan	5,000,000
26.	„	Manchurian and Mongolian Railway Loan	40,000,000
27.	Nov.	Shantung Railway Loan	26,000,000
28.	„	Military Agreement Loan.	20,000,000
29.	Dec.	Peking-Suiyuan Loan	4,000,000

These twenty-nine Japanese loans amounted to Yen 246,400,000. The Chinese government used the most valuable national assets, such as mines, railways and industrial organizations, as security for them. It would not have contracted so many loans had it not been for the encouragement from Tokio. The conferring of orders and decorations by the Japanese government upon nine officials two months ago "in recognition of the services rendered with regard to loans to China" is one of many proofs to substantiate this statement. Among those nine officials are Mr. Shoda, late Finance Minister, Mr. Ichiki, late Vice-Minister of Finance, Mr. Shinno, Director of the Financial Bureau in the Finance Department, Dr. Kobayashi, Japanese financial agent at Peking, Mr. Shoda and Mr. Ichiki being recipients of the First Order of the Sacred Treasure. Mr. Nishihara, who was active in 1918 in securing loans for Japan, was not decorated, perhaps because he is not an official. The Japanese government has also conferred a number of orders and Gold Cups upon military officers "in recognition of the services rendered in connection with the conclusion of the Sino-Japanese Military Agreement," to which a loan was also attached. Japan's object in encouraging reckless borrowing by the Chinese government is undoubtedly to secure control of China's finances.

Attitude of Americans and Britons in China Toward the Japanese!

This remarkable article published originally in the Review on December 21, dealing with the present attitude of Americans, Britons and Chinese as well toward the present activities of Japan in China, is now being reprinted in booklet form.

It will be issued within the next two weeks in a limited edition of 500 copies in both the Chinese and English languages.

Persons who desire copies for distribution either in China or abroad may obtain same by applying to the REVIEW, enclosing 10 cents (Mex) in stamps for each copy to cover printing and mailing expense.

Owing to the expected demand for these copies, persons are urged to write at once to the undersigned.

Editorial Department

MILLARD'S REVIEW

113 Avenue Edward VII Shanghai.

SALT REVENUE

The most reliable source of income of the Central government has been, as before, the salt revenue. The total salt revenue for 1918 must be over $70,000,000, which were used for the services of the Reorganization Loan of 1913, and its surplus was monthly released by the Group Banks for the use of the government. The amount of the salt revenue actually deposited with the Group Banks in 1918 is as follows:

January	$ 4,894,039.93	
February	3,795,239.49	
March	7,735,337.60	
April	4,823,862.21	
May	4,941,136.67	
June	5,379,988.07	
July	5,047,162.56	
August	5,788,691.67	
September	5,950,680.91	
October	8,291,156.96	
November	6,786,023.07	
December	5,500,000.00	(approximately, but the exact figure is unavailable.)
Total	$68,933,319.14	

The salt revenue for 1917 was $70,627,249.62, and for 1916 was $72,440,559.89.

The total proceeds of salt revenue for 1918, however, were $71,864,000, but this sum did not

wholly reach the Central government as a small portion of it was retained by the South and various Tuchuns in Hunan and other provinces.

CUSTOMS REVENUE

The Maritime Customs revenue for 1918, according to a statement issued by the Officiating Inspector-General of Customs, shows a decrease of over Haikwan Tls. 1,850,000, the total collection being in round numbers Haikwan Tls. 36,334,000 (or $54,000,000), as compared with Haikwan Tls. 38,189,000 in 1917. All foreign obligations secured on this revenue were fully met to December 31, 1918. The 1918 revenue of the native customs house under the Inspector-General's control shows an increase of over Haikwan Tls. 196,000, the total collection reported being in round numbers Haikwan Tls. 3,972,000 (or $6,000,000), as compared with Haikwan Tls. 3,775,000 in 1917. As the Maritime Customs revenue has been also assigned for the services of various loans made by China, it is likewise free from the interference of the government.

In this connection it is interesting to record that the Tariff Revision Commission composed of over forty delegates from all over the world, which sat for one year at Shanghai, completed its work on December 23, 1918, when all the delegates signed the new schedule. It is hoped that the new schedule will come into operation the next month immediately after the approval of it by the various governments concerned. China will, in the opinion of Admiral Tsai Ting-kan, the chairman of the Commission, gain an annual increase in revenue of approximately $8,000,000 through the revised tariff.

PROVINCIAL REVENUES

Approximately $200,000,000 should have been remitted to the Central government by the provinces as their contributions, but owing to the weakness of Peking, very little money was received in 1918, and whatever funds secured from the land tax, the goods tax and other taxes were retained by the military governors. On the other hand, the military governors competed with each other in loudly proclaiming the utter distress and poverty of their territories with the hope that the government might give them something monetary. If they were unable to secure any funds from the Capital, the usual practise they adopted for the year of 1918 was to inform the central authorities that they had contracted a Japanese or a domestic loan to meet their requirements and ask them to sanction such emergency measures. The government had to accept the inevitable and sanction the loans concluded, otherwise declarations of independence by the Tuchuns might have been made. The Central government has no authority whatsoever over the provincial authorities financially. This deplorable state of affairs reached its climax last year.

DOMESTIC LOANS

Two domestic loans were floated, amounting to $93,000,000, in the first half year of 1918 to undo the evil of the so-called moratorium declared in the last days of the Yuan Shih-kai government. They were the Seventh Year Short Term Loan with the deferred indemnity as security, and the Long Term Loan secured on the second charge of native customs' revenue. The first loan of $48,000,000, repayable in five years, was issued on January 25, and the second loan of $45,000,000, repayable in twenty years, was issued on April 24. The first intention of the government was to give these two loans to the Bank of China and the Bank of Communications for the repayment to them of its debts in order to enable them to resume specie payment. But the people demanded that the bonds of the two loans should be placed on the open market for subscription instead of turning them over to the two banks. The Peking Chamber of Commerce went so far as to sue the Ministry of Finance in the Administrative Court in its efforts to secure for the people the privilege of buying the bonds. Finally a compromise was arranged, and on May 1 the two loans were placed on the market for public subscription. Subscriptions were open for two months, namely May and June, and were closed at the end of June, because of the first drawing of the short term loan in July. The unsubscribed portion of the two loans was again placed on the market on October 12, and it is still open for subscription. Nearly $30,000,000 worth of the bonds have not yet been sold at the time of writing.

CHINA'S CURRENCY

The currency question of China during 1918 was conspicuous by two events, namely the attempt to raise the moratorium and the attempt to issue gold notes. The issue of the two domestic loans of $93,000,000, which aimed at the resumption of specie payment, did not help the critical currency situation. All the Peking notes of the two prime banking institutions were worth 45 cents towards the close of the year. The people in Peking in particular and those in other cities generally suffered seriously therefrom. In consequence, the stringency of finance on the market remained, which in turn injured business operations, whilst the government came in for its share in the shape of reduced revenues from tax offices and railways. Further depreciation of the value of the notes at the end of 1918 actuated the sufferings of the masses. The question remains unsolved with the dawn of 1919.

The attempt to introduce gold currency further disturbed the monetary situation. In July, Tsao Ju-ling, Minister of Finance, astonished the world by petitioning the President to promulgate rules and regulations for the establishment of organs to effect reform of

the currency on an alleged gold basis. At first President Feng Kuo-chang was against the scheme. At one conference he frankly confessed that he could not see its advantage, but since his advisers placed confidence in it he expressed himself ready to give his concurrence by stamping the rules and regulations with his official seal. The necessary mandates were issued on August 10, promulgating the regulations governing the issue of gold notes and the regulations for the establishment of a currency bureau. It was then learned that Minister Tsao had arranged with Nishihara, representative of the Chosen Bank, for a Japanese loan of Yen 80,000,000 to finance the issue of gold notes. The real scheme, which must be distinguished from the published one, consisted of the issue of inconvertible gold notes, which were to be secured on the notes of the Chosen Bank. With a loan of Yen 80,000,000, the Finance Minister intended to issue notes to the extent of $240,000,000. Soon afterwards he was appointed Director-General of the Currency Bureau, which was to undertake the task. It was known at the moment that if the scheme were carried out, China would lose control of her own financial market. A great opposition therefore arose from the people and also from the foreign officials in China, who realized that the Chinese government intended to circulate Japanese yen notes in China in order to facilitate Japanese trade at the expense of traders from other lands. The popular opposition was responsible for the subsequent denial of the Japanese Minister in Peking that he had any knowledge of the loan, and for that of Minister Tsao. The Allied legations energetically protested against the gold note plan three times. The latest was made after the establishment of the Currency Bureau in December.

CHINA'S RECEIPTS AND EXPENDITURES FOR ONE MONTH

The Chinese government could not secure sufficient revenue from the provinces to meet its ordinary currency expenses even if it did not indulge in the pleasure of keeping up quarrels with the South-western provinces. As an illustration I give below the returns of receipts and expenditures for the month of July, 1918, which unmistakably show that the government could not make both ends meet under the present conditions:

Receipts:	
Surplus from Salt Revenue	$4,000,000
Remittances by the Provinces (special and allocated)	400,000
Wine and Tobacco Taxes	300,000
Government Property	100,000
Maritime Customs from deferred Boxer Indemnity	1,000,000
Native Customs	600,000
Stamp Duty	100,000
Total	$6,500,000

The China Mutual Life Insurance Company, Limited.

Will be pleased to send the latest Prospectus and a copy of the Balance Sheet to any subscriber to Millard's Review, on receiving a telephone message or a letter of request.

Head Office,
10 Canton Road
SHANGHAI, CHINA

Expenditure:

	Notes		Silver
Military expenses	$1,309,340	@ 50	$ 654,670
	Silver		5,243,320
Civil Expenses...	1,392,570	„	696,285
	Silver		568,810
Outstanding debts	203,790	„	101,895
	Silver		1,282,030
Contingent expenses.....	200,000	„	100,000
	Silver		4,700,000
Total Silver			$13,347,010

From this it will be seen that there was a deficit of $7,000,000 for the month of July, in 1918, exclusive of funds spent for secret military purposes, as an account of them could not be publicly rendered without causing serious criticism.

DEBTS PAID BY THE GOVERNMENT

There is, however, one redeeming feature of the finances of last year. In spite of pressing demands, the government adroitly managed to pay off its financial obligations without a failure. At the end of 1917, China's national debts were as follows:

Long term foreign loans.....	$1,194,000,000
Short term foreign loans.....	62,000,000
Long term domestic loans.....	104,000,000
Short term domestic loans.....	87,000,000
Long term foreign loans repaid by the Customs Revenue in 1918 amounted to	42,200,000
Long term loans repaid from the Salt revenue amounted to.....	6,250,000
Short term domestic loans repaid from the salt revenue amounted to...	24,000,000

The Shanghai Commercial and Savings Bank, Ltd.

9, Ningpo Road, Shanghai

Capital (Paid-up) . . $ 600,000.00
Reserve Fund. . . . $ 15,000.00
Deposits (Dec. 31, 1918) $3,400,000.00

FACILITIES OF THIS BANK:

1. Accounts opened in dollars, taels or foreign currencies.
2. Banking by mail.
3. Bills discounted.
4. Checking and Savings accounts.
5. Collection of coupons and dividends.
6. Documentary bills accepted.
7. Exchange of dollars, taels and foreign currencies.
8. Issue and purchase of drafts on foreign countries.
9. Issue of letter of credit and telegraphic transfer.
10. Loans granted on approved securities.
11. POCKET SAVINGS BANKS of various kinds.
12. Safe Deposit vault.

K. P. CHEN
General Manager.

Long term domestic loans repaid, including the Patriotic Loans of 1911, the 9 per cent Military Loan of 1911, the Third Year Loan of 1914, and the 7th Year Loan of 1918, totalled.....	$27,500,000
Short term domestic loans to the Bank of China and the Bank of Communications and others repaid in 1918 amounted to.....	56,000,000

The total of the debts repaid in 1918 amounted to $155,950,000, a fairly big figure.

In previous years the Chinese government invariably complained of dire financial distress, whether it had a budget or not. For the fifth fiscal year (July 1, 1916, to June 30, 1917), its budget was ready in the summer of 1917 and was therefore useless. For the sixth fiscal year, there was no budget as there was no parliament to approve of it. At the end of 1918 the government, although it had an enormous sum passing through its fingers during the year, without any restriction from the budget in the use of it, likewise complained of financial difficulties. The reasons for this complaint are not far to seek. During the military operations against the South, the Peking government expended between $10,000,000 and $18,000,000 a month on General Tuan's several armies in the field. As a result, it experienced a deficit of $10,000,000 or more each month, which was the rule and not the exception. The outstanding financial event of China in 1918 accountable for this can be summarized in one single sentence: "The generals have gotten rich whilst China has become so much poorer, the Chinese industry and education neglected in proportion, and China's national prestige lowered."

It is, however, welcome news that the President is now planning gradually to reduce the military expenditure, beginning from this year, to the smallest figure possible, knowing that the military campaigns have hitherto proved a source of huge profit to the commanders.

From the year of 1918 a valuable lesson can be learned. The only financial salvation of this country lies in the abolition of the Tuchun (military governor) system. Unless the troops are greatly reduced in number and placed solely under the direct control of the Central government by the elimination of the Tuchuns, there can be no financial reform and China would be destined to greater poverty and the eventual loss of her independence. Another lesson derived from 1918 is that it is dangerous to make Japanese loans. International loans should be arranged if money is really needed for productive purposes.

If the Boxer indemnity, which was incurred not through the fault of the population of China but only through misguided authority of a corrupt Manchu government, backed by the Shantung Boxers who hated Germany for the seizure of Tsingtao, is returned; if the land tax and other taxes can be reformed; if the Customs revenue through the operation of the new tariff schedule can by increased by $8,000,000 as estimated; if the military expenses can be reduced to the lowest point possible; if remittances from the independent provinces in the South-west are resumed after the settlement of political difficulties; if a greater revenue will be derived from the increase of the volume of trade on account of the settled condition; if more honest officials can be in control of national affairs; China will have a great chance to be better off financially at the end of 1919. Undoubtedly a second reorganization loan will be made by the Banking Group soon after the settlement of disputes between the North and South. This will give China a start on the road to financial prosperity and success. Although the outlook at the close of 1918 was gloomy, the outlook for the year of 1919 appears promising if only those who are ruling and are to rule the country will pause and think over the whole financial problem of the nation, and unselfishly tackle it with might and main.

America and the Reconstruction of Russia

BY STEWART P. ELLIOTT
Managing Director, Grace China Company

The following article by Mr. Elliott was written after he had made an extensive trip of investigation into all of the important parts of European and Asiatic Russia. Mr. Elliott spent two years in Petrograd and other points in Russia as a director and manager of San Galli, Grace & Co., a subsidiary organization of W. R. Grace & Co. of New York. Owing to the fact that the Grace China Company is now laying the foundation for important future activities in China and Russia, this article is of unusual importance—especially now since many of the problems in Russia are also present in China:

THE day is now here for a business reckoning with many countries, and among these countries is Russia. The measure of a nation's wealth depends largely on what it buys and sells. Therefore it is up to all business men and all business factors to participate as much as possible in foreign trade—not for the mere selfish purpose of building up our own national wealth, but also from the more important humanitarian standpoint of being of service to other peoples and other nations and in using our strength to make them strong. It behooves each one to decide where his participation is going to be most effective. We must concentrate by *organization* upon those countries from which we may obtain raw supplies and upon those countries where our manufactured products are needed. Only thus may the development of our foreign trade be of value to both parties in the bargain. The old idea in merchandising that only the seller should gain, has now given way to the new idea that both buyer and seller must gain through the transaction, otherwise there can be no future business or prosperity for both parties.

The largest of such countries to work in is Russia. It is so vast in area and resources that mentally one can hardly grasp the figures. Even with a total population of nearly two hundred million people, settlements in many districts of Russia are like mere incidents of boundless territory, though almost none is unproductive. Let us imagine momentarily that it is our own country; that the United States covers an area of 8,650,000 square miles, more than one-seventh of the total land surface of the world; but that our nearly 200,000,000 inhabitants are in urgent and dire distress for every ordinary necessity of life that people require. Could you imagine us all destitute of such an ordinary article as a piece of soap? Suppose that there are more than *three million babies born annually* and that the everyday material for their clothing is practically unobtainable? Suppose all the wagons in our country needed steel tires; or, as in at least half the cases, new wheels entirely? suppose you had worn out your socks long ago and you were carefully utilizing old straps of cloth to wrap around your feet, hoping winter was a long way off, how much would you think of a good pair of tough cowhide boots? Imagine if every store on the main street in a city the size of Philadelphia (Petrograd) was devoided of merchandise—just sold out, empty shelves, and the public were walking the streets peering into the windows in the forlorn hope that something might materialize? Suppose the supply of shoes was so limited that the police took charge of every new consignment which arrived, issuing tickets entitling the holders to buy one pair each at fifty dollars a pair—the holders of these tickets forming in line the day before each particular lot was to be sold, knowing that the end of the line were sure to "get left"? Suppose your cook, and sometimes yourself, stood in line out in the snow from 3 a.m. until 7 a.m. every day to get two ounces of black bread—when there was any available—for each person in your household, and the bread as black and heavy as liver and mixed with chopped straw?

Supposing—please picture this in your mind—that everyone in this make-believe, doubled-sized United States collectively and individually needed, but did not have, nearly everything that most people now have and take as a matter of course. Supposing then on top of such a picture that Germany was on your borders quietly exploiting your misfortunes through the medium of cultivated strife and unscrupulous persons, thus absorbing control of banks, factories, railways, river steamers, mines, and all sorts of industrial and other enterprises.

It all sounds too imaginative, you may say? Not at all—the situation is worse and deserves more action from American business men than I have the gift to describe. In Russia there is a part to play—historically—for every commercial factor in our United States, and now it is the time to lay foundations. The costs of commencing business may or may not be absorbed from the start; but the question remains, unless we do start immediately—what position will we be in when the great period of reconstruction begins after the close of the peace conference. This brings us to the business methods America must employ. The Russians

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(and Chinese as well) are deadly tired of the type of salesmen that come to-day and are gone to-morrow. They want to know that when they order to-day, they have some expectation of eventually getting the goods. Our business houses should remember the price is not so important to Russian buyers as the delivery, and will not be for some time to come in our dealings with the goods-hungry and starving Russians.

Permanent success of American business in Russia depends on (1) standardization of methods to fit the requirements of the country; (2) uniformly consistent quality coming up to the specifications agreed upon; and (3) direct representation. There are only two ways to do business in Russia; deal only through responsible houses; or send your own men and do it direct. There are no other methods. You can hurt—and do hurt—your country's reputation when you let roving commercial adventurers try out your lines abroad on a commission basis. They sell only for immediate returns—which means closing quickly. Nine out of ten of them, to do this, promise more than you can accomplish. In Russia I have seen hundreds of these mis-representatives of business houses at work; unfortunately, they nearly always seem or pretend to represent American houses. The business houses of other countries gave them up long ago.

Russia may be regarded as the pivot of the whole world's future from the standpoint of area and development. Notwithstanding the present disintegration, it is the country which will prove most responsive in again taking to itself the utilities and supplies which go to make up a normally living nation. These same supplies and utilities will enable her to produce from her soil millions of tons of elemental materials needed by ourselves and other nations. Have you thought of your share in this? Have you considered the kind of people we have to cater to in Russia? Within the great region between Minsk and Odessa eastward to Harbarovsk and Vladivostock, the population of Russia is uniform. That is to say, exclusive of the Caucasus and Turkestan, which is of secondary importance for our purposes, the inhabitants are largely the same kind of people; there are in this immense region about one hundred and sixty million souls. Eight per cent are soil-tilling peasants who fed all of Russia and supplied other nations as well with food, but who were often half hungry themselves. Ninety per cent of them cannot read nor write, but from one end of the empire to the other they all talk Russian. Russia has the largest population in the world speaking a single tongue.

They are for the most part ignorant. Partly because of ignorance and partly because of absurdly unjust conditions existing under the old *regime*, most of them are very poor; but they are all productive workers learning fast to like the things that you and I like. For instance, before the war the total importation of coffee to Russia was about 150,000 bags annually, exclusive of Finland. I know of one house alone last year (1917) that shipped over 200,000 bags for Russia in the face of innumerable existing obstacles. There were other houses shipping coffee to Russia as well.

Now that vodka is practically a thing of the past in Russia, I am certain that as soon as the bars are let down for shipping the amount of coffee consumed by Russia will be staggering; within a few years it will probably approach the demand of our own country. Russia is sure to consume millions of bags annually. Before the war, Hamburg was the clearing house for coffee to Russia. With our trade established in this period of opportunity, why shouldn't the commercial houses of the United States administer to the European demands for coffee—when peace comes? Our neighbors raise the coffee and we have the ships. I only mention coffee as an example.

Prior to the Great War, there was a German commercial bureau in what is now Petrograd. This bureau had representation and branches all over Russia. They had organization departments, financial and credit departments, export departments, import departments and administrative departments. Hundreds of people were employed under competent government executives. The purpose of the bureau was to constructively build up a profit and loss account between Germany and Russia, with *black ink entries* for Germany and *red ink for Russia*—the Slavs were to be a debtor people bound to a creditor Germany.

The measure of official interest on the part of our government as regards business between Russia and the United States has been in the past rather small. Outside of reports by consular officials the work was confined in fact to the efforts of one man, Dr. Huntington, the commercial attache of our Embassy at Petrograd. Dr. Huntington was—and still is, I suppose—allowed a yearly appropriation of ten thousand dollars. Out of this his salary is paid, his clerks are paid, his travelling expenses paid, his cable expenses are paid, and all other incidentals of his office. All he has to do is to keep an accurate and up-to-date analysis and diagnosis on hand of the resources and possibilities of Russia. Now Russia is roughly 3,000 by 6,000 miles in area, so you can see that for one man, he has quite a job to keep up-to-date and down to figure. A man of Dr. Huntington's calibre in his official capacity is of great value to American business men, but he must have money to spend and organization to work with. We should support his enthusiasm and interest in his work. He has learned to speak and write the Russian language well. I wonder how long he can afford to donate this capacity and knowledge to the furtherance of our interests?

The most effective help American business interests have had in Russia during these war days up to this time is the National City Bank of New York. This institution, through its Petrograd branch, stuck by its commercial guns as long as it was physically possible. Revolutions might come and revolutions might go, but they were always on deck and gave their everyday service. The spirit of enthusiasm and energy shown by its management was reflected by the whole staff. This shows what can be done by American persistence. While it is true that Russia is now in a critical state of reorganization and is stewing in her own red juice, she must come out of it desirous of more and better equipment. This is the first time the people of the nation have ever had a chance to think. As order gradually becomes restored, they are going to keep on thinking; the things they think about will become more and more like the things you think about. In other words, the mass of the Russian people, while now of narrow vision, are a civilized people. They will want to draw more and more on other nations of the world for modern conveniences and modern necessities. For many years to come, Russia

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principally will export her raw products, as it is unlikely that her industrial life can soon develop or be rehabilitated to the point where she can export manufactured articles to any extent.

Even in Harbin—a Russian city, though outside Russia, being in Manchuria on territory leased by China—the immediate demands are urgent. Harbin is one of the doors to Russia, sharing with the port of Vladivostock the distributing trade for nearly all imports into Siberia. Business is there at any price we might care to stipulate; but to show our good faith the price must not be higher than a reasonable profit justifies. In this gateway to Siberia—which, by the way, from the standpoint of population is the smallest section of Russia—the people are clamoring for millions of pairs of shoes, millions of panes of window glass, millions of padlocks and articles of household hardware, millions of yards of cloth, millions of spools of thread, and so on through the long list of civilized wants called for by teeming Russia beyond Harbin.

How does one get paid, you ask? You may get paid with the proper equivalent of roubles and with these roubles you must be prepared to negotiate products of the country, such as skins and hides, wool, lumber, furs, precious metals, etc., of which there is an abundance; or you must sell your roubles to those that do negotiate in the country for such products. Up to the present, in most cases, your Russian buyer will negotiate his roubles in advance and provide you with dollar credits—but he does not relish the difficulty of arranging credit in advance against an obscure prospect of shipment. You must in turn provide some guarantee on that score. The Russian exchange situation at present is, of course, under the circumstances something no sane business man wants to speculate upon; but Russian exchange can even now be handled, and is handled every day. The Japanese have three banks in Harbin, the English have one, the Russians have two, and the Chinese have two. Don't you think we ought to have at least one American bank?

In the case of the Japanese they are using most of their roubles collected to buy real estate, mining property, and shares in industrial ventures, and they are doing it very actively too. They are pushing their interests with a long view to this trade. They have just purchased a building in Harbin which will be used as a commercial museum. Among other business facilities supported by their government, there is a sort of finance board composed of bankers which has for its object the fixing of exchange in advance of any given transaction of importance. Finding they were losing confidence by loose or uncertain specifications, they have now regular official organizations in the principal ports of Japan that govern standards of quality, weights and proper style of packing.

While it may be expected that for some time to come the facilities for handling goods in Russia will be more or less limited, at the same time this fact must not be taken as an insurmountable obstacle or discouragement. Russia is peculiarly blessed with extensive inland waterways leading from every part and point of sea entry on the Atlantic and Pacific and Arctic Oceans. The principal rivers are: the Petchora, 900 miles long, which, together with the Northern Dvina flowing into the White Sea, are the most important rivers of the Arctic Basin; the Neva, which empties into the Gulf of Finland, though only a few miles long, is important in that it serves as Petrograd's port waters and also drains a series of lakes and canals lying east and north of Petrograd connecting right up to Archangel, and is the last link of a series of canals and rivers which connect the Baltic with the Volga River and the Caspian Sea—covering exceedingly important commercial routing; the Dneister, 700 miles in length, the Dneiper, 1,200 miles long, both flowing into the Black Sea, and the Don, emptying into the Sea of Azof; the Volga, 2,200 miles long, and the Ural River, 1,150 miles in extent, both flowing into the Caspian Sea. All these rivers, with the exception of the Petchora, are commercially important highways navigable for numerous small river steamers, and in some cases connected by barge canals. Siberia also has extensive inland waterways that are navigable—the Obi, Yenisei and the Lena, flowing from its most central points northward and furnishing a system which opens up the country east and west, and the Amur, the great highway connecting the central part of Eastern Siberia with the Pacific. So you see that trade will not merely depend on the now-inadequate railway facilities.

As the situation stood before the signing of the armistice the main trade of Russia was largely tied up by Germany. The economic program was almost coincident with their military movement. In fact the military was merely a convoy to the economic movement. It is on the economic field the final battle will be fought. Through political channels and through the medium of third parties, Geman action is being taken in all walks of commercial and industrial life in Russia. Under this heading comes the purchase of river steamers, flour mills, leather tanneries, cotton and woolen mills, newspaper offices, public utilities, and hundreds of other interests. A Russian gentleman remarked to me recently: "The Americans are talking much about Russia, but doing little, while others are talking little and doing much in Russia."

The activity of the Japanese has been outlined. The British have an economic commission on the ground in Siberia. A close study is being made of how the British government, on behalf of its commercial people, can at least influence certain channels of trade when conditions are more stable. So the question resolves itself—What are we going to do? Any well-defined program designed on the basis of present conditions might have to be changed to-morrow to meet new conditions. But in any case, a forward policy should be decided on, and our administration interested to such an extent that our merchants can count on governmental interest—actual help—as required. There must be certain stipulated features which will protect our national reputation and eliminate the possibility of distrust on the part of buyers in Russia. This distrust, in the past not without foundation, has been brought about in the main by unscrupulous agents. The damage must be undone by the American undertakings in Russia.

American manufacturers and merchants are famous for their resourcefulness and ingenuity. Why not extend this cleverness and good service abroad? If enough merchants and manufacturers evince an interest in Russia, it must surely be the means of influencing our government to such an extent that efficient protective measures backing up our efforts in the field will be adopted. *We can no more afford to*

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ignore the benefits in connection with our just proportion of foreign trade than we could afford to ignore the military strength of those with whom we were fighting to uphold our national principles.

The final measure of Allied success depends on our promptness and aptitude in meeting the Germans on the economic field in Russia after the peace conference. For after all, the paying of the material costs of the war is a matter of business. It matters little how much the Germans have been licked—thrashed—on the western front; if they still control Russia economically when the peace treaty is signed—we have not won the war. The present moment is one in which dispatch is better than discourse—and—The shortest answer of all is: *Do the thing!*

Shanghai, January 1, 1919.

Notes from Peking

G. W. Frodsham, of the Peking Syndicate, took a trip to Shansi last week in connection with his business. He returned to Peking yesterday.

E. F. Moyler, of the Peking firm of Moyler, Powell & Company, is shortly leaving for the United States, England and France on an extended buying trip for his house.

J. H. Brett, of the International Banking Corporation, of Tientsin, and Mrs. Brett left for Shanghai on January 14, to which place Mr. Brett was recently promoted.

The marriage of William North, manager of the International Bank, Hankow, and Miss Hester Goldenberg (sister of Mrs. W. J. Warmsley) will take place in Tientsin on February 4.

It is announced that there are 1,100 Americans in the Tientsin Consular District at present. Of these 600 are in Peking and Tungchow, 240 in Tientsin and the balance in the interior.

The second annual general meeting of the Anglo-American Association will take place on Friday, January 24, in the British Legation Theater after the lecture already arranged for that date.

Mr. and Mrs. A. J. Evers, of the construction department of the China Medical Board, are expecting to sail from Shanghai for America on February 9, Mrs. Evers being now sufficiently recovered to make the journey.

The death is announced in Peking from Changtehfu of Madame Yuan, widow of the late President Yuan Shih-kai and mother of Yuan Ko-ting. President Hsu has sent his representatives to attend the funeral.

W. F. Tyler, adviser to the Ministry of Communications and chairman of Committee of the Chihli River Commission, has taken up his residence in Peking. During the last few months he has been staying in Tientsin.

The article in the Japanese *Peking & Tientsin Daily News* accusing British and American missionaries of storing opium has caused a great deal of indignation in Peking. The matter is being officially considered by at least one legation.

Charles Thunden, a Past Master in the International Lodge of Masons in Peking, which is established under a Massachusetts charter, has been made Senior Grand Warden of the Grand Lodge of Masons in China.

Miss Louise Hobart and her younger sister, Miss Elizabeth Hobart, of the Methodist Mission, are going back to America for a year's furlough early this summer. They have been out in China for nearly six years.

A meeting of the Peking Literary and Social Guild took place at Dr. Candlin's residence on Wednesday evening, January 15. Rev. Arthur Sowerby gave a lecture on "An Evening with Browning with Selected Readings."

It is learned in Peking that Japan wants 1,000,000 piculs more of salt from Chihli and Shantung at a special price. China is shy of consenting to the desired lowering of the export duty on salt, fearing that it might give rise to an opposition movement.

Clark H. Minor, general manager of the China Electric Company, which is closely affiliated with the Western Electric Company, is soon leaving for Singapore and the Straits Settlements on an extended business trip. Mr. Minor does not expect to return to China until the early spring.

Mrs. Carl Crow, of Shanghai, the wife of the representative in China of the American Committee on Public Information, has arrived in Peking and will remain for some time. Mr. Crow is expected to come to Peking early in February for an extended visit.

Chen Yi, Resident Commissioner at Urga, in a telegram to the government reports that although Outer Mongolia had been peaceful since the dying down of the disturbance in Siberia, the usual difficulties in finance always experienced at the end of the year presented themselves again.

The Chinese government has drawn up a statement in detail outlining the part China has played in the war. The statement is divided into four sections, *viz.* regarding military affairs, labor, supply of material and other necessities, and the disposition of enemy subjects in the interior.

H. von Heidenstam, Chief Engineer of the Whangpoo Conservancy Board of Shanghai, is returning to Shanghai this evening after having visited Tientsin for the last fortnight in connection with the work of the Commission for the River Improvement of Chihli, of which he is a member.

Official reports show that the Foot-and-Mouth Disease is very prevalent throughout the wide cattle-raising districts of southern Chihli, Shantung and Honan. The medical officers of the B. M. C. have already taken the necessary precautionary steps in Tientsin, such as the inspection of dairies.

M. S. Fyffe, Reuter's correspondent, who managed the Peking office for many months during the absence of Major Wearne, has returned to the Capital after an absence of several months. Mr. Fyffe has recently been at the Shanghai office of Reuter's, and expects to remain in Peking until the coming summer.

Wang Ta-hsieh, chairman of the Diplomatic Commission in the President's Office, and former Minister to the St. James' Court, gave a large luncheon at his home on January 15. His guests included various of the foreign Ministers and the senior members of their staffs as well as many Chinese officials of high rank.

Captain Lyman Passmore, U. S. M. C., who has been attached to the American Legation Guard for the last sixteen months, has been detached and ordered to Cavite (P. I.) by the first transport. Captain

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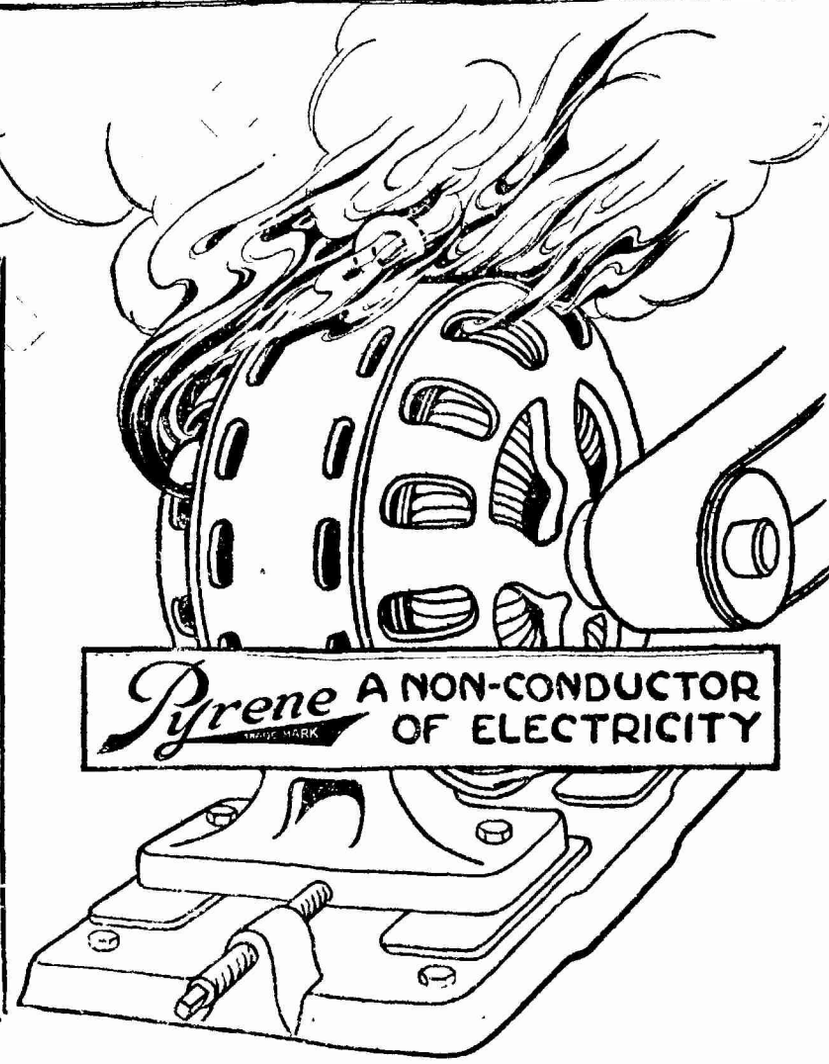

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Passmore for the last two years was the life of the marine baseball nine and one of the best infielders and hardest hitters along the China coast.

George Woodhead, editor of the *Peking & Tientsin Times*, has decided to go to England on furlough some time in March and will return to China after a visit of six months. Mr. Woodhead has been presented with the silver Medaille de la Reconnaisance Francaise by the French government for his various activities during the period of the war.

Dr. Y. C. Chang, president of Tsing Hua College, has sent a telegram of condolence to Mrs. Theodore Roosevelt on behalf of the college and the whole student body. It was under the Presidency of Colonel Roosevelt that a great portion of the American share of the Boxer indemnity with which the Tsing Hua College was founded was returned to China by the United States.

The civil governor of Chihli received the Tientsin representatives of the Centenary Commission of the Methodist Church on Wednesday afternoon, and after listening to the plans by which it is hoped to obtain nearly G. $200,000 for philanthropic work in Tientsin, expressed his approval and gave $1,000 in his own name and $1,000 in the name of his brother, General Tsao, military governor of the province.

The Ministry of the Interior in a recent statement issued to the public stated that it had done everything in its power to prevent the smuggling of drugs such as morphia into China, but it is helpless when the foreign concessions are involved. The statement further gives the information that a large quantity of morphia has been imported into China *via* the various treaty ports and through places like Harbin.

Mr. and Mrs. Allison H. Baer, of the Siems-Carey Company, who have been in Peking for the last two years and a half, are leaving for the United States by the s. s. *China* sailing from Shanghai on February 9. Mr. Baer, who was formerly with Mr. Hitchcock, has received a call from Mr. Hitchcock to rejoin McArthur Brothers. During his stay in Peking, Mr. Baer has been active in the life of the American community.

The proposed construction of five railways in North Manchuria, concession for which was obtained by Russia in 1916 from China, according to the *Manchurian Daily News* has remained neglected up to the present owing to the outbreak of the Russian revolution. Lieutenant-General Horvarth, governor-general of the Far Eastern Railway, has asked Japan for the required funds, which overture is said to have been acceded to by the Japanese government.

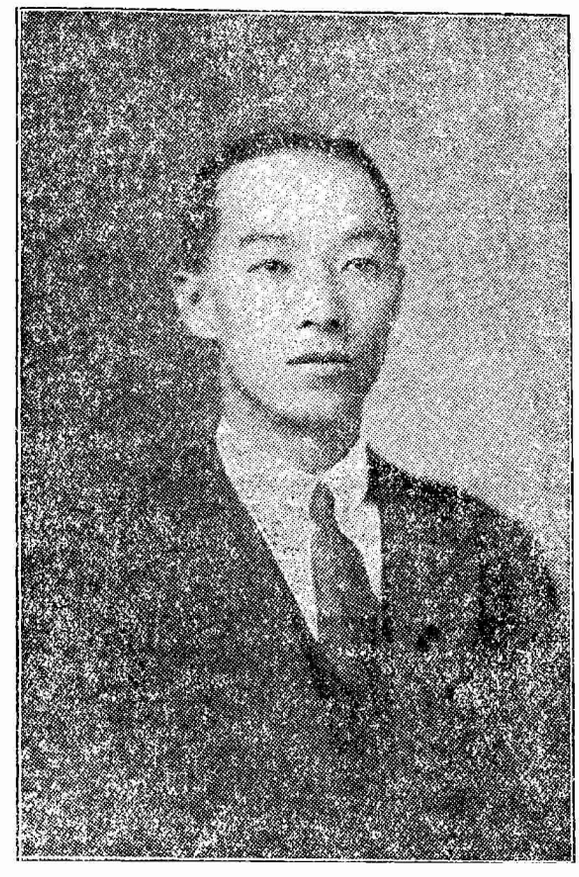
The new school of music in Peking, which will be known as the "Music Students' Club," has now been definitely organized and will commence operations on February 1. The purpose of the club is "to further the progress of music in Peking, provide teachers for those desiring them, exercise supervision over work done by the students, and develop a musical atmosphere through artists's recitals and public students' recitals." Mrs. Paul S. Reinsch is the honorary president of the club.

F. C. Hitchcock, who spent two years in Peking as vice-president of the Siems-Carey Railway and Canal Company, and who returned to the United States last fall for a short visit, has left the company and joined his former firm, McArthur Brothers, railway contractors and engineers, of New York City, his new position being in the nature of a distinct advancement. During his stay in China Mr. Hitchcock was an officer of the American Association and chairman of the newly formed Anglo-American Association.

Ten Americans in Peking interested in the formation of an American Chamber of Commerce in Peking met last week at luncheon at the house of Harry S. Payne, of the American Banknote Company, to discuss preliminaries. Those present were C. R. Bennett, of the International Banking Corporation; J. N. Gatrell, of the International Banking Corporation; W. B. Christian, of the China American Trading Company; H. C. Faxon, of Andersen, Meyer & Co.; Murray Sullivan, of the Chuchow-Chinchow Railway; A. M. Gupthill, of E. W. Frazar & Company; Captain I. V. Gillis; J. E. Hayes, of the American Trading Company, and S. S. Corbett, of the Standard Oil Co.

Peking, January 18, 1919.

Who's Who in China



Dr. S. P. Chen

Dr. S. P. Chen, Medical Expert in the Ministry of the Interior, Medical Superintendent of the Government Isolation Hospital and Medical Director of the Central Hospital, obtained his preliminary education in the Federated Malay States, where his scholastic career was so promising that a special scholarship was created for his benefit. His professional education commenced at Caius College, Cambridge, where he also distinguished himself by being appointed one of the Assistant Demonstrators in Anatomy in the University Laboratory early in his third year. Here he passed his Natural Sciences Tripos with honors. He underwent his hospital training at St. Thomas's Hospital, London, one of the largest and

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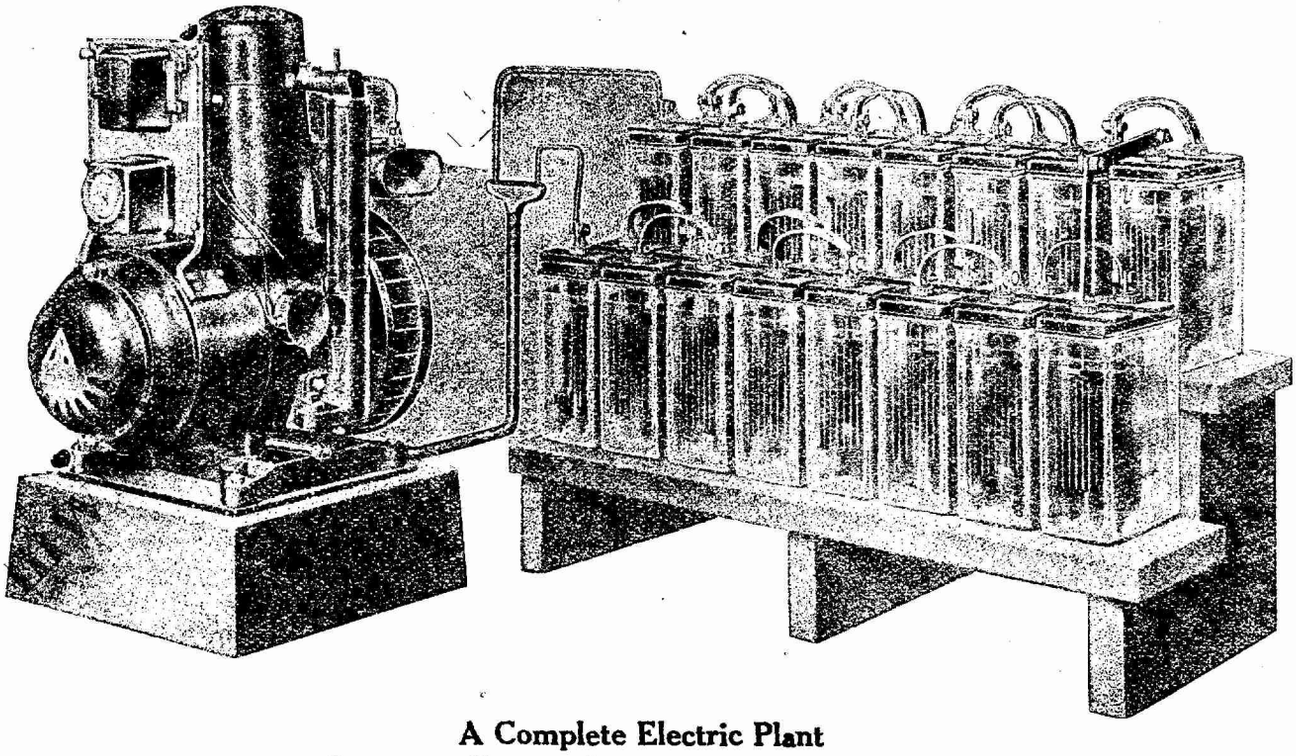

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best equipped institutions of its kind, on the completion of which he took the medical and surgical degrees of his old University. He then served a year as Senior Resident Surgeon at the Western General Dispensary in London, thus acquiring a considerable amount of practical experience which he has found most useful in his work in China.

While acting as Chief Medical Officer in Harbin, Dr. Chen received an invitation from the Ministry of the Interior to come up to the Capital for the purpose of organizing the Government Isolation Hospital, the first of its kind in the country. During the three and a quarter years of the existence of this institution, a large number of infectious cases have been cared for, which would have otherwise been at large and been the means of spreading infection, perhaps with fatal results, to many more. During the floods in the autumn of 1917, and when the danger of epidemic outbreaks was threatening on account of the presence of large numbers of refugees in Tientsin, H. E. Hsiung Hsi-ling, director-general of the Government Flood Relief Bureau, appointed Dr. Chen to be his Chief Medical Officer of Health. As a result of Dr. Chen's preventive measures no outbreak of epidemic disease occurred.

In the recent outbreak of pneumonic plague in Shansi, Dr. Chen was one of the three commissioners appointed by the government to cope with the situation, the portion of the work entrusted to his care being the protection of the entire length of the Peking-Suiyuan Railway and the prevention of the spread of the deadly disease to Peking, Tientsin and other important centers.

With his wide experience of infectious fevers, Dr. Chen is looked upon by his foreign colleagues as an authority in such cases, his advice being frequently sought after and acted upon by the foreign doctors in Peking.

Week's News Summary

THE ARMISTICE

January 19. A report by distinguished French jurists published in the official bulletin of the Peace Conference sitting at Versailles declares that the ex-Kaiser is answerable in his own person both in penal and civil law for the war and the crimes committed by the armed forces under his command.

January 22. Advices from Metz indicate that the great iron works owned by Thyssen, situated in Lorraine, are to be sequestrated.

SIBERIA

January 16. Advices from Tokio indicate that an understanding has been reached regarding the restoration of the efficiency of the Trans-Siberian Railway including the Chinese Eastern Railway, which it is proposed shall be placed under an inter-Allied Committee with one representative from Russia (the Russian to act as president), and also a representive from China, Japan, the United States, Great Britain, France and Italy.

CHINA

January 17. A Presidential mandate at Peking announces that Chou Shieh-shih, who is very friendly to the Japanese, has been appointed director-general of cotton cultivation in China; it is understood that Mr. Chou is negotiating with Japanese cotton firms to form a Sino-Japanese development company to operate principally in Honan and Chihli.

January 20. Arrangements have been completed in Peking for the issuing of a Presidential mandate ordering the repatriation of enemy aliens and also the sequestration of enemy property, the latter becoming effective on February 1.——The Chinese government makes a protest against the judgment rendered by the Mixed Court at Shanghai in favor of Mr. Passeri, contending that the Bureau of Liquidation of the German Bank being a government organ, no Court without it is designated by the government for the purpose can possess authority to exercise jurisdiction over the Bureau.

JAPAN

January 21. Viscount Uchida, Minister for Foreign Affairs, speaking before the Imperial Diet at Tokio states that the heart of Japan went out in full sympathy to the Russians in their present plight; that Japan as a government would refrain from giving to China any financial assistance, but would not discourage any enterprises of her nationals so long as they were legitimate; that Kiaochow would be returned to China but in this connection it was to be remembered that Japan had to rely in a large measure upon the rich natural resources of China in order to assure her own economic existence and he hoped that China would not deny to Japan the needed cooperation in this respect.

GENERAL

January 15. The German Soviet takes over control of the German coal mines at Essen; Karl Liebknecht and Rosa Luxembourg, prominent leaders of the Spartacus party, are shot while trying to escape from police custody; the German government with a view to bringing order out of chaos makes a display of force in Berlin with a large number of troops equipped with heavy guns, field guns, armored cars and flame throwers.——The legislature of the State of Nebraska ratifies the amendment to the Federal Constitution prohibiting absolutely the liquor traffic in the United States after one year; this assures that the amendment will come into force, the Constitution requiring that three-fourths of the State legislatures must ratify, and Nebraska completed the roll of the required 36, as a war measure prohibition at any rate comes into force July 1 until the President declares the army demobilized.

January 17. The United States Shipping Board announces that all American vessesls requisitioned during the war have now been released to their owners except those actually engaged in army service.

January 18. The French steamer *Chaouia* strikes a steamer near the Straits of Messina and sinks, approximately 500 passengers, a large proportion of whom were Greek soldiers, losing their lives.——Following an influenza epidemic, the city of Bombay (India) is now suffering from cholera, the spread of which is largely attributed to the heavy influx of refugees from famine districts.

January 19. The voting takes place throughout Germany for members of the National Assembly, every man and woman over 20 yeras of age having the right to vote; the voters are guarded by troops

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but this does not prevent serious disorders in some of the provincial towns; in Berlin the highest voting is polled by the Majority Socialists; a feature of the elections in Berlin is that Roman Catholic nuns march to the voting booths in a body and vote.

January 20. The British Treasury announces that subscriptions will be received February 1 to a new series of National War Bonds bearing interest at the rate of 5 per cent to be issued at 101½.——A monarchical rising occurs in northern Portugal, the demonstrators proclaiming Manuel as King.

January 21. The Sinn Fein "Constitutional Assembly" opens its session at the Mansion House in Dublin; Count Plunkett reads an appeal to the nations asking for recognition of the national status of Ireland,——Incidental to a wave of labor unrest which is at present passing over England the engineering and shipyard workers on the Clyde decide to strike January 27 for a 40-hour week without any reduction of wages.

January 22. Sir Henry May, K. C. M. G., resigns the post of Governor of Hongkong, after having occupied that office for 7 years.——The death occurs of Prince Yi, ex-Emperor of Korea.

America

The Phoenix Hotel, one of the most prominent hotels in Lexington, Kentucky, was closed on December 2 by the Food Administration for violating the bakery regulations and for disregarding regulations governing the distribution of sugar.

W. H. Cowles, publisher of the Spokane *Spokesman-Review*, presented each of the 329 regular employees of the paper with a new G. $10 bill, and each of the 117 carriers with a new G. $2 bill to celebrate the signing of the armistice.

Three hundred new labor-saving and food-conservation devices, many of which have been adopted by hotels, were shown in New York at the opening of the third annual Hotel Men's Exposition in Madison Square Garden. Among the devices were a waiter-less table, an iceless ice-cream freezer, a soup clarifier, a vacuum cleaner ash remover, a dishwasher grease salvager, and an automatic "buttons" service.

When you tell your dealer or merchant that you saw his advertisement in MILLARD'S REVIEW, it "identifies" you.

Men and Events

N. Gist Gee, of Soochow University, Soochow, is now visiting in Shanghai.

On January 23, at the Victoria Nursing Home, Shanghai, a daughter was born to Mr. and Mrs. Hunter Mann, of Hankow.

Dr. Ph. De Vargas, Ph. D., of Lausanne, Switzerland, secretary of the National Committee of the Y. M. C. A. in China, will speak before the Sunday Service League on Sunday afternoon, January 26, at the Martyrs' Memorial Hall, 120 Szechuen Road, at 5 p.m.

Rev. H. W. Luce, secretary of the China Christian Educational Association, and formerly a member of the faculty of the Shangtung Christian University, will address the American Song Service on Sunday afternoon, January 26, at 5 o'clock at the Palace Hotel.

A meeting of the Royal Asiatic Society was held in the Lecture Hall, 5 Museum Road, Shanghai, on Thursday afternoon, January 16. A paper was read by Charles Kleine, F. R. G. S., on "The Land of Peach Bloom," a Chinese legend of the third century B.C.

According to an announcement made by the local steamship offices of the Pacific Mail, China Mail, Canadian Pacific, Toyo Kisen Kaisha, Osaka Shosen Kaisha and the Nippon Yusen Kaisha in Shanghai on January 21, the trans-Pacific freight rates have been reduced from G. $40 to G. $30 per ton.

The third annual dinner of the Christian Colleges in China is planned to be given by the Student Bureau of the local Chinese on Monday evening, January 27, at the Y. M. C. A., 120 Szechuen Road, Shanghai. Several addresses will be given and a reception will be held previous to the dinner.

A Japanese—evidently interested in the morphia traffic—sends the *Peking & Tientsin Times* a letter, in which he accuses the Americans of backing up financially the anti-morphia campaign so as to stir up ill-feeling between Great Britain and Japan and cause the non-renewal of the Alliance. He says America is getting "too cheeky" lately!

It is reported that the Chinese Y. M. C. A. is planning to have an automobile school. This is made possible by the Auto Club of China. Mr. Eitter, an automobile engineer, has been secured to give daily instructions. Two automobiles with tools will be purchased by the association and instruction is to begin at an early date. The school is to be located at No. 12 Foochow Road.

The annual banquet of the alumni of St. John's University, Shanghai, will be held on Saturday evening, January 25, at 7 o'clock at the Yih Ping Shan Hotel, Thibet Road. B. Atwood Robinson, of the Chinese-American Company, Dr. P. W. Kuo, of the Nanking Teachers' College, and Dr. F. L. Hawks Pott, president of the University, will be the principal speakers. Music will be furnished by the Municipal Band.

A large number of Chinese merchants of Shanghai, officers of local Chinese banks and representatives of the Chinese Chamber of Commerce were guests at a reception given by Wei Luk-choong, compradore of the Grace China Company, at Shanghai on Tuesday, January 22. The Grace China Company, general importers and exporters, have recently established offices in the Ezra Building on Kiangse Road.

Speech Day was held at Medhurst College, Shanghai, on Wednesday, January 22. J. Kerfoot acted as chairman and David Z. T. Yui, of the Kiangsu Educational Association, delivered the address.

O. M. Green, editor of the *North China Daily News*, Shanghai, departed for England on the s. s. *Empress of Japan* Saturday, January 18. Mr. Green expects to be absent from Shanghai for three or four months.

The Public Health Laboratory of the University of Missouri School of Medicine has produced and is now manufacturing a vaccine which the members of the medical faculty are confident will serve as a preventive of the epidemic pneumonitis, or what is commonly known as influenza.

There are a large number of Japanese with no medical qualifications practising medicine in China. All of them call themselves "Doctor" and that word also appears on the signboard. Recently a strong movement has been started in the Dutch East Indies by Japanese medical men who seek permission to practise medicine there. So far the Dutch government has not granted this request.

It is reported that a telegram despatched to the inter-Allied peace conference at Paris has been signed by 46 chambers of commerce in China, and by Chang Chien, Chu Pao-san and Shen Lien-fong. Its object is to bring before the notice of the conference China's desire that the Powers should forgo their treaty rights in regard to the tariff system, and the hope that the Allied governments will conscientiously endeavor to prevent any possibility of a new Balkan problem arising in the Far East.

The annual general meeting of the Association of Lancastrians in China was held on the evening of December 22 in the Shanghai General Chamber of Commerce rooms. W. N. C. Allen presided and in his speech to the assembled members referred to the fact that the report prepared by the secretary, P. Campbell, was a very thorough one and left little to be said in addition. A resolution was passed to refer to the committee elected for the coming year the question of arranging a dinner so that members might have an opportunity of coming together before the summer; it was also intimated that during the coming summer there should be a "Lancastrian Day" consisting of a garden party and childrens' sports.

News received here states that Nebraska, the thirty-sixth state, has ratified the prohibition amendment and actual prohibition becomes effective on July 1 as a war measure till President Wilson declares the army is demobilized. The amendment makes the manufacture, sale, exportation and importation of alcoholic beverages illegal throughout the United States. Measures are already being taken fixing the penalties for any infraction. Telegraphic advice has also been received here at the American Consulate-General concerning the prohibition of the importation of intoxicating liquors into the United States, stating that by an Act of Congress approved on November 21, 1918, no distilled malt, vinous or intoxicating liquors shall be imported into the United States during the continuance of the war and the period of demobilization.

Publications on China

The *Chinese Students' Monthly* for November 1918, published in New York, contains a long list of recent literature on China. Mention is made therein of a number of articles appearing in MILLARD'S REVIEW by H. P. Shastri, Hollington K. Tong and others. A few of the useful articles mentioned are:

"Conquering Chinese," by Walter E. Weyl, *Harpers* for July 1918.

"Factors in China's Crisis," by Sherwood Eddy, *Missionary Review* for September 1918.

"Scratching the Scales off the Dragon's Back," by James Lewis, *World Outlook*, August 1918.

"Women Workers of the Orient," by Margaret Burton.

Genuine Americanism

Up to this time it has been somewhat difficult for European nations to realize just what the American spirit of self-government signifies. This is true of the ruling powers and still more so of the mass of the people who have had little occasion for knowledge or thought on the subject. The population, when our government was formed, being mainly of English origin, derived its quality from that source and, in spite of the early antagonism, the people of Great Britain easily came to a comprehension of our kind of democracy. The French, having a violent struggle against autocracy shortly after the founding of this Republic, had a somewhat violent appreciation of the principles upon which it was founded and went to extremes in seeking to simulate it. There was a consequent revulsion and they had to go through two or three revolutions to reach their present appreciation of it. This country itself has not had an altogether steady career as a democracy in the course of a rapid development, with immigrants flowing in from all quarters. It had to fight for what it considered its share in the freedom of the seas and to get human slavery out of its system. The greatest difficulty in maintaining genuine Americanism for at least two generations has been due to the constant flowing in of foreign blood.

The war that has just come to an end in Europe, in its cause and its result, put Americanism to a severe test and will make it better understood at home as well as abroad. The American people had been long devoted to peace and progress and were altogether averse to getting into a fight with any nation, until they were forced to defend the very principles on which their government was founded and the safety of the nation. They have made their national spirit and the character of that government when put to a test better understood in Europe and in the rest of the world. Its character has been fairly exhibited in the costly work of preparation, in willingness to be brought into military service and trained to its action and its endurance, and in the sacrifices which this has involved. It has been finely displayed in the actual service over on the battle lines and in the great mass of work behind them for the preparation and movement of all that pertains to it, and for the care of those who served and suffered in the great cause at stake. They have shown on a noble scale what can be done by a nation based

upon principles of democracy and freedom, when forced to contend against a despotism that seeks to destroy that basis of government.

Before the war put Americanism to this test, it had certain tendencies to contend against within its own domain, but was not fully awake to the danger. These came almost wholly from the later foreign elements, accustomed to more or less subjection to rule which was despotic or oppressive and which some of them were determined to defy and resist wherever they came in contact with it. They were ready to see it in any firmly established government which exercised authority for the observance of laws devised for maintaining the rights of the people on a footing of equity and justice among themselves. These foreign elements of what is called socialism were as inconsistent with true democracy as they were hostile to actual despotism. The declaration that "all men are created equal" and endowed with "inalienable rights," obviously does not mean that they are equal in capacity or in intellectual and moral qualitities, and that, however they may conduct themselves, they are entitled to be treated alike in the distribution of results. That would be far from actual freedom and still farther from justice. Above all, it would be destructive of the energy and ambition and all the qualities and motives that contribute to the progress and prosperity of a people and the strength of a nation.

This conflict with socialism has been suspended while we have been engaged in the war for freedom and equal rights. Americanism in its true sense has been sharing in a great triumph and it still shows its spirit as utterly hostile to that pernicious element which would undermine all government for maintaining justice and equity in the exercise of the faculties with which men are endowed. There are symptoms, here and there rather violent ones, of the revival of socialism in this country and the resumption of its efforts against law and order and the exercise of authority for the preservation of internal peace and safety. Is this likely to gain strength after what the nation has been going through in association with other free nations and against despotism? We cannot believe it, for nothing could be more hostile to true Americanism and to orderly government for the defense of all rights and the suppression of all wrongs.

Those disturbing elements may seek a new activity, and they seem to be determined upon it, but they are likely to arouse a sharper antagonism than they were accustomed to before the American spirit was aroused to the danger that was in them. The foreign elements that enter into our population henceforth must be more effectively Americanized in accordance with the real principles of Americanism. The general effect of the war in which we have been taking a conspicuous part should be, and we believe will be, to bring our people more together and with better understanding between those who direct affairs in the production and trade that contributes to prosperity and those employed in various kinds and degrees of energy and skill for bringing the best results. Nothing could be more inconsistent with each other than socialism and true Americanism, and there should be no doubt as to which is to prevail hereafter in this country.—"*Journal of Commerce*," *New York*.

An Appeal for American Women to Cooperate in the Anti-Opium Campaign

A STRONG appeal was made by Dr. Wu Lien-teh at a meeting of the American Woman's Club held on Tuesday, January 22, at the Carlton Cafe, for the American women to cooperate through the American Woman's Club of Shanghai, with its long list of useful and charitable activities—the American Red Cross, the Allied War Relief Association, the Siberian Relief, and the various Liberty Loan campaigns—to help combat the opium evil in conjunction with the positive stand taken by the Chinese people on the question and the needed support of the Allied Powers. Dr. Wu traced the history of the opium traffic in China, when the people of China knew nothing about the opium deal until facts became known concerning this, public opinion was in strong protest and the Presidential mandate of December 4, ordering the drug to be burned, was heartily endorsed by the general public. Dr. Wu emphasized the fact that he was a firm advocate of women's rights and illustrated this point when he carried the banner of "Votes for Women" in London. Dr. Wu further remarked that like all great causes, the anti-opium crusade had many ups and downs in the course of its history, and after many vicissitudes, it took definite shape in 1906 when John Morley, on behalf of the British government, declared the opium trade immoral and announced that Great Britain had made an agereement with China to end the Indo-Chinese opium trade within ten years. That declaration was a trumpet call to all Chinese throughout the world to set to work and end the vice which had threatened the life of the nation. No event of Chinese history had done more to prove the vitality of the Chinese people than this supreme effort to rid the nation of a national evil. The late Manchu rulers were blamed for many things, but the splendid way in which they rose to the occasion and carried out the opium suppression policy would be gratefully remembered by future generations of Chinese. Nor must Chinese forget that it was the most distinguished Chinese returned student from America, Tang Shao-yi, who first outlined the plan on China's behalf. Dr. Wu then referred to the history of the opium stocks now being burned in Shanghai, which were bought from the Opium Combine two years ago. That deal, he said, did not reflect much credit either upon the sagacity or disinterestedness of some Chinese officials, but it once more showed the strength of public opinion in China, even during these troublous times, for the new President decreed that this poison, bought with millions of dollars, should be consigned to the flames rather than be allowed to poison the bodies of the people. After relating the steps taken to examine and burn the opium in specially constructed furnaces, Dr. Wu said that neither the Chinese government nor the people alone could deal successfully with this opium problem. The country is too vast, her frontiers too wide, and her position *vis-a-vis* international relations too weak, to allow China to cope with the extensive smuggling in opium and morphine which is day by day increasing. In closing, Dr. Wu said:

"Some of you are the wives or daughters of American officials residing in China, others are relatives of merchants, educationists or missionaries, but one and all, I am sure, have the interests and welfare of this country at heart. A nation is either strong or weak, civilized or uncivilized, according to the number of its educated men and women—especially of its women. China has lagged behind in the modern world in material progress, in science, in hygiene, because her women have been backward. Now more than at any previous stage of China's history do our women need friendly guidance, sympathy and cooperation. American women are noted all the world over for their go-aheadness, their practical common-sense, and their high ideals, which this recent war has intensified. Try to infuse some of these fine qualities into our women and girls by going among them and talking to them. You will find them bright, earnest and receptive. Do not leave all the work to the men. Get what credit is due you for your labors. In time to come, when New China really comes into its own, our men and women, opium-freed and morphine-freed, will raise a monument to you for having encouraged them and led them through a critical period of her history."

A vote of thanks was extended Dr. Wu and the moral support of the members of the club was pledged to cooperate in the fight against opium.

Women and Events

A meeting of the American Woman's College Club is announced for Tuesday, January 28, at the home of Miss Rhodes, 174 Szechuen Road, Shanghai, at 4.30 p. m.

The American University Club dinner dance to have been given on Friday evening, January 24, at the Carlton Cafe, is indefinitely postponed by the committee in charge.

The following new members were elected to membership in the American Woman's Club on January 21: Mesdames Jones, Johnstone, Kelhofer, Pumphrey, Wright, Carleton, Lanthrop, James, McKeen and Stites.

A large number of foreign and Chinese were present at the reception given by the National Committee of the Y. W. C. A. on Friday, January 24, at the Carlton Cafe for the Y. W. C. A. secretaries now in Shanghai.

Margaret Carnegie, the only daughter of Andrew Carnegie, has announced her engagement to Roswell Miller, son of the late president of the Chicago, St. Paul & Milwaukee Railroad. Miss Carnegie is 21 years old and if she survives her father will inherit his great estate, being the only child.

Nearly $1,500 was netted from the tea dansant and sale of pictures given by the American Woman's Club of Shanghai at the Carlton Cafe, January 22, for the Siberian Relief Fund of the Allied War Relief Association. More than 400 people attended. The pictures donated by Madame Wu Hsing-fen were sold at auction for $860 by J. J. Keegan. Music was furnished by the Carlton Cafe orchestra.

A meeting of the Literary Department of the American Woman's Club of Shanghai was held on Thursday afternoon, January 23, at the Carlton Cafe. The meeting was to continue the discussion of the old engineering works of China. The papers read included the following topics: The great wall, by Mrs. C. F. Fondey; irrigation system and salt wells of Szechuan, by Mrs. J. Warren Baldwin; the canal system, by Mrs. H. A. Wilbur, and stone bridges of the Yangtze Valley, by Mrs. A. Q. Adamson.

With Oklahoma, which has recently conferred the ballot on its women, in the United States there are now twenty-two states whose women are enfranchised—not one-half of the states. In various of these states women are serving in the legislatures and are eligible for Congress. Miss Rankin, however, so far, is the only one who has been elected to the House of Representatives. Therefore the women of America are behind the women of Finland, who were enfranchised in 1907 in recognition of important services rendered to their country, and ever since have had representatives in the Diet in varying numbers up to an eighth of the Assembly of 200 members.

M. C. P.

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07-323

Chinese Government Railway

Kaifengfu-Honanfu (Peinlo) Line

The Kaifengfu-Honanfu (Pienlo) Railway often called the Lunghai and Pienlo Line connects the main Shanghai-Tientsin lines with the Peking-Hankow line. It is 115 miles long and was financed principally by Franco-Belgian capital.

This line joins the Peking-Hankow Railway at Chenchow and an extension to Hsuchowfu on the Shanghai-Nanking-Tientsin line is centemplated. The line is franchised and has a capital of Mex. $17,270,595 of which Mex. $17,182,006 is paid up. The franchise for its construction was granted to the Compagnie Generale des Chemins de fer et Tramways de Chine. 260 miles of extension to Sianfu was originally granted to two Chinese provincial companies. The first Section of 115 miles was redeemed by the Chinese Central Government in 1914.

The amount at credit for the cost of the railway was Mex. $16,537,779 and of this sum Mex. $16,300,117 has already been disbursed. Passenger receipts for the first five years working were: Mex. $273,489; $303,960; (No record); $482,097; $537,313. Freight receipts in 1911 and 1912 were Mex. $261,348; and Mex. $274,960, and in 1914 and 1915 Mex. $547,388; and $485,377 respectively.

The general working expenses in 1911 and 1912 were Mex. $465,179 and $524,741 and in 1914 and 1915 were Mex. $464,464 and $606,426 respectively.

Further information regarding the line may be obtained by addressing the

DIRECTOR GENERAL, LUNGHAI RAILWAY
Peking, China.

Far Eastern Press Opinion

Japanese Morphia Trade

From the "Tokio Hochi" (Japanese)

Because opium-smoking poisoned the Chinese people, England which has amassed big fortunes by exporting the narcotic to China has promised to stop exportation altogether by the agreement entered into in 1911, which provided that the amount of exportation shall be cut down gradually until it is altogether stopped in seven years, that is in 1917. Japan also participated in the opium conference of 1909 in Shanghai to promise, together with ten other nations, to stop opium importation into China. When such promise has been made, and as Japan is advocating friendship for China, Japan should not grudge to do her part in annihilating the pernicious opium habits which are injurious to the progress of China. But the foreign language newspapers in Peking and Tientsin have said that opium smuggling is flourishing by the hands of Japanese. They even went so far as to say that as substitutes for opium morphine and cocaine are injected and these drugs have been imported in great amounts by Japanese merchants with the help of Japanese government officials and banks. Aside from some merchants who are illegally conducting the trade, the editor cannot believe that the Japanese government officials or banks are assisting the illegal trade. The Japanese consuls in China have been instructed by the home government to keep the dishonest merchants under strict control. Whatever the past, there are no such things as have been pointed out by the foreign language journals. However secretive it is the Japanese government should not leave the situation vague when foreign language journals are thus attacking Japan. Facts should be investigated and the truth made known publicly. We regret very much the lack of unity of service between the military, civil and diplomatic administrations of Japan, thereby giving opportunity to foreigners to take advantage of Japan. It is astonishing to find foreign language papers exaggerating their reports on the basis of surmises, thereby bringing false charges against Japan. Underhanded competition among merchants is to be loathed, but newspapers which are eyes and ears of society should not indulge in spreading false rumors concerning the Japanese government and people. As an immediate measure, we suggest that China should be politically stabilized, so that the orders of the central government may be obeyed throughout the country. Under the present condition in China, it is not possible to expect the complete annihilation of pernicious habits and trade. Japan should not remain indifferent when such things as the smuggling of opium and other narcotics in China is made a lever for anti-Japanese movements in China. Faults should be mended and falsehoods should be explained away, so as to prevent those who want to profit by alienating Japan and China from practising their game.

The League of Nations

From the "Singapore Times" (British)

There must be powers strong enough to insist that rights of others must be respected, just as there are police to protect honest citizens. It is within the capacity of Britain, America and France to set up standards of international conduct which no one will dare to violate as long as they remain united and willing to make use of their strength. We have a great respect for the League of Nations ideal, but the strong arms of strong nations guided by honorable principles will be the world's best safeguard until a great advance upon their present moral standpoint has been made by several races which are strong now and may be yet stronger.

Japanese Labor Awakening

From the "Herald of Asia," Tokio

Bunji Suzuki, president of the Yuai Kwai, the only labor organization in Japan, has left for Paris to represent the interests of Japanese laborers at the international labor conference to be held at Versailles on the occasion of the peace conference. He carries with him the best wishes of all friends and sympathizers of Japanese laborers. Partly through the repressive policy hitherto pursued by the government against laborers, but chiefly through their ignorance and indifference they have had no voice in the government and have been unable to enjoy the rights due to them. They are now, however, different from what they were before. The waves of democracy rolling into the shores of this country from abroad are beginning to awake them. Already they are beginning to assert their rights and signs point to their steady gain in power. In view of this it is a matter of congratulation that Mr. Suzuki will represent Japanese labor at the great international labor conference at Versailles, which will have great influence in the reorganization of the world. His mission is scarcely less important than that of Marquis Saionji, as the report he will bring home concerning the labor conditions in the Western countries will become a powerful factor in the shaping of the destiny of our laborers.

07-324

The Humiliation of China

From the Canton "Hsin Shen Pao"

The evil of morphia is more harmful than opium yet it is a fact that more than 30,000 catties of this drug is annually imported to China from Japan. It is alarming to know that this quantity does not mark the highest level of its trade. It is an impartial judgment to say that it is impossible for the Tokio government to shirk responsibility. In our view, however, it is our own people who should take the blame. We should see to it ourselves that our government does the proper thing to stop the evil, which cuts the throat of our race. Japanese manufactured morphia is allowed to come into China without hindrance as if we are willing to offer our neck to the sword of one who professes to be our friend. Can anything be more humiliating and disgraceful than this?

Japanese Great Weakness

From the "Seoul Press" (Japanese)

It is now a fashion among Japanese publicists to insist that our delegates at the peace conference at Versailles should claim equal treatment for all Japanese abroad. We are, however, afraid that our delegates will hesitate to present such a claim, considering that Japan has a very weak point in maintaining that she is the equal of civilized nations. This weakness lies in many Japanese women engaging in a shameful profession in the Philippines, Manchuria, Siberia, China ports, Singapore and many other places. In all these places Japan's fair name is being trampled under foot by these women of easy virtue. It is really a shame for this country to allow this disgraceful trade to be carried on abroad. Is the government powerless to stop it? We do not think so. We have a very efficient police system and if half the energy shown by our police in searching out and watching persons considered to be imbued with so-called dangerous thoughts were directed towards the control of conscienceless brutes who live on the shame of those poor girls they could certainly put an end to their nefarious activity. In this connection, we must also hold ladies of our upper classes responsible for the national shame. They owe it to society as well as to their unfortunate sisters to bestir themselves on their behalf for their rescue and urge and, if need be, compel the government to do away with the evil once for all.

The South Sea Islands

The South Sea islands, now under Japanese occupation, should not be "possessed" by Japan nor by any other Power after the conclusion of peace, but should be placed under the charge of a League of Nations, or an inter-Allied commission, which should take the responsibility of educating the inhabitants of these regions until they become civilized and competent to settle for themselves all questions regarding their own future. So declares Professor Sakuzo Yeshino, of the Tokio Imperial University, in an article specially contributed to the New Year number of the *Chuwo Koron* (*Central Review*), one of the leading monthly magazines in Japan. Professor Yeshino's name is identified with young, democratic Japan, now fighting a severe battle against the old autocratic Japan. Being a professor, he is the idol of many young, ambitious students, and his lectures on the political history of the world are attended by hundreds of university students. He is a foremost speaker, giving popular lectures almost every other day in various places in the Capital; and is a strong pro-Ally.

Chinese Government Railways

PEKING-HANKOW LINE

"The Road Through the Heart of China"

THE Peking-Hankow Line, the most important section of China's overland route, enables tourists and travellers to get a glimpse of Old China, the train passing through magnificent scenery, traversing the great plains of Chihli, the central portion of Honan and the mountainous region of the eastern Hupeh province,

The Peking-Hankow route joins at Fengtai the main line of the Peking-Mukden Railway, by means of which this line is connected with the railways in Manchuria, Korea, Japan and Siberia, while steamer facilities at Hankow bring it into easy communications with the Yangtze River ports and Shanghai.

From the Capital of Hankow the journey occupies 34 hours, by the daily through train which is provided with up-to-date sleeping and dining accommodations.

Chikungshan Mountain (Summer Resort), not many Summer Resorts in China inland can bear comparison with the natural charming views that reward those who ascend the mountain of Chi Kung Shan whose summit stands at an altitude of 1980 ft. On reaching Sintien station, situated 110 m. from Hankow, a serpentine road climbs the mountain, on top of which are hundreds of beautful bungalows awaiting vacationists. This popular resort is celebrated for its scenery, where an almost unbroken communion with nature can be enjoyed for a week at a time.

Hsi Ling or Western Tombs. With their present-day accessibility, there is now little excuse for visitors to Peking omitting a trip to the Western Tombs, undoubtedly one of the most impressive sights in China. The site of these beautifully adorned Imperial Tombs is close to Liang Ko Chwang station, 79 m. from Peking, which is reached by a Branch-line formerly built for the exclusive use of the Imperial Sovereigns when visiting the Tombs of their ancestors. The Western Tombs include the mausoleums of four Manchu Emperors and three Empresses, as well as those of a number of Princesses. The region is justly appreciated for the charming scenery surrounding the Imperial Tombs and is highly recommended to any one in search of the extraordinary and beautiful.

Chinese Government Railways

Peking-Suiyuan Line

NOTICE

The Public is hereby notified that beginning from January 11th 1919 through booking to the following stations on the Peking-Hankow Line, as decided by the 6th Through Traffic Conference, shall be discontinued :—

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Singyangchow.....(信陽州)
Chumatien .....(駐馬店)
Fenglochen .....(豐樂鎮)
Matow.....(馬頭)
Lincheng .....(臨城)
Chokowtien.....(周口店)

By Order.

07-325

American Forestry and the Great War *

D. Y. LIN, M. F.

IT might be said at the very outset that the importance of forest resource and the technical skill of forestry experts was never so emphasized as by the emergency brought about through the great war. Some time ago people thought there could be substitutes for wood—the principal produce of the forest; but it has been conclusively proved that there could be no substitute, and we may safely say that from now on forest resources will always be rated as indispensable commodities for the preservation of national safety and for the attainment of national efficiency.

In one of Lloyd George's speeches, he said, "the road to victory, the guaranty of victory, the absolute assurance of victory, has to be found in one word, ships, and a second word, ships, and a third word, ships." So no sooner had America—the land of unsurpassed forest wealth—declared war on the Central Powers, than President Wilson made it known to his people that a fleet of wooden ships must be constructed within the shortest time possible. There was then the immediate formation of the Federal Shipping Board together with the Lumber Committee, and the men appointed by Mr. Wilson to serve on the board got in touch immediately with every man of consequence in the lumber industry** and within only a few days all the big lumbermen of the United States went forthwith to Washington, D. C., to give the government the advantage of their experience. It was figured at the time that within a year and a half America could turn out between 800 to 1,000 of these vessels, so if the steel vessel supply of the Allies could hold on for ten months longer, the output of wooden vessels after that time would keep far ahead of the highest ship mortality rate which the submarines could inflict.

A standard wooden ship about 280 feet over all with a 24-foot depth of hold and with two full decks and capable of developing about 1,500 horse power will require at least a million board feet of lumber, so for a thousand wooden vessels it means that a billion board feet would be required. It was a big order indeed for the lumbermen to fill. The task however was taken up in a most patriotic way, and in so far as it had the brains of the best lumbermen and foresters in the country, observers believed it could be done.

To supply enough wood for the building of wooden ships was one job and to supply enough wood for steel shipyards was still another. According to official figures made public on September 21, 1918, there are now 203 shipyards in the United States, of which 77 are steel, 117 wood, and the rest composite or concrete shipyards. We have been reading in Reuter's reports these days of the wonderful records made in these shipyards. Already millions of deadweight tons of new ships have been completed and surely many more millions will be completed soon. Just imagine what a bridge these ships would have made for the transportation of troops, munitions and food across the Atlantic to Berlin!

Perhaps the most spectacular implements used in the war were the airplanes, commonly known as the "eyes" of the Allied armies, and these can be built only of wood, and the wood which gives the proper strength and lightness for frames or resists best the tension upon rapidly revolving propellers is the spruce. So as soon as the first war guns were fired in America, the so-called "Spruce Regiment" was organized and thousands of ununiformed soldiers—mostly lumbermen and foresters—were engaged in chopping down the spruce forests of Oregon and Washington for the manufacture of airplanes. It was estimated that England, France and Italy would require annually 240 million board feet of spruce and this must come from the Pacific coast. To this must be added the enormous amount needed to carry out the big United States airplane program for which G. $640,000,000 had been provided.

Side by side with spruce, we might mention the walnut which came into great prominence as a war material. The American walnut is the best wood that has been discovered both for airplane propellers and for gun stocks. Just imagine what an enormous amount of walnut wood must have been consumed in the airplane and ammunition factories! In this connection it might be mentioned that the work of the Boy Scouts in helping to spot walnut trees all over America and to persuade the owners to part with such trees, won for them high commendations.

But the use of forest resources did not stop with merely furnishing wood for the construction of ships and airplanes, for the housing of armies was no longer in tents but in wooden cities. Fighting was in wood-lined trenches. Heavy artillery could be moved only on quickly constructed wooden roads. For the development of railroads by army engineers, millions of ties had to be prepared. For hospitals, for temporary staff headquarters and for hangars at the aviation fields, lumber was needed. Storehouses must be constructed to cover the vast quantities of supplies and equipment. New bridges must be built and old ones repaired. Telephone lines must be constructed. Barbed wire entanglements must be supported. And in addition to all this, an immense amount of fuel was needed for cooking, heating and sanitation. In other words, every phase of the war was in some way or other closely interwoven with and dependent on forest resources.

America however is not only a country of unsurpassed forest wealth, but also a land where the technical skill of forest experts is found. Immediately after President Wilson's proclamation that a state of war existed between the United States and Germany, a census of all trained foresters and woodsmen in the country was taken, the purpose being to find out how many of such men could be released from home service for forestry work at the front. The work was done with unusual speed, for no sooner had the census been taken than a regiment of foresters and lumberman was organized for work in France, and the regiment was known as the Tenth Engineers. It was mobilized in

*Being the substance of a speech delivered before the World's Chinese Students' Federation on December 28, 1918.

**More than 900,000 men are engaged in the lumber trade and two and a third billion dollars are invested in it; and the recent U. S. government census showed that there are 49,738 lumber plants in the country.

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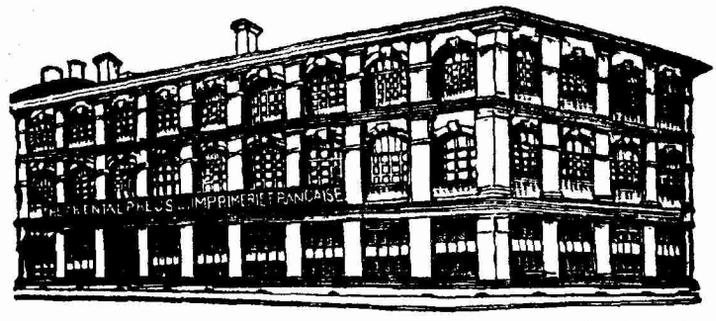

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AGENTS FOR

Pacific Ports, the important publication of Frank Waterhouse & Co., Seattle, U. S. A. This book of information contains material that should be in the hands of exporters and importers and shipping firms having connections in China or the Far East. It is a book of four hundred and fifty pages and is conveniently bound. The 1918 edition is now ready for distribution at Gold. $3.00 net. Apply to,

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six companies, 3 being trained at the engineering training camp at Fort Leavenworth, Kansas, and the other 3 at the American University, Washington, D.C. In the month of September 1917 these forest engineers as a regularly organized military unit were going across; but before this first regiment went across a second regiment was already forming. The second regiment was called the Twentieth Engineers composed of ten battalions of foresters, lumbermen and sawmill workers, and nine battalions of laborers for use in connection with forest operations. This regiment had a strength of upward of 17,000 men and it was no doubt the largest regiment in the world.

Inasmuch as the duty of the forest regiments was the cutting of timber and its manufacture into the forms needed for military use, all the men were organized in units capable of handling all kinds of woods work. They brought with them engines, skidders, loaders, saws, axes, wheels, and thousands of other tools and articles needed for felling, hauling, construction and camp equipment. Each unit was officered by a trained forester or an expert lumberman thoroughly familiar with producing and delivering lumber. The wonderful service these men rendered, the way in which they handled the artificially planted forests, and the silvicultural methods they used for cutting and at the same time for perpetuating the French forests—all this has been a distinct credit to the professional skill of the American foresters.

So much for the forestry aspect of the God-given Victory. It is evident that without wood and the ability to make it quickly available for military purposes, this-so called "great engineering war" would not have been so successfully prosecuted and there might have been a paralysis of the great effort made. America's forestry preparedness was a tremendous factor indeed!

To conclude let us contrast the forestry preparedness of America with the forestry condition of China. China with hundreds of millions of acres of bare mountainous lands which ought to have been devoted to forestry could have done nothing if she had been asked by the Allies to help. The fact that in time of peace she has to import foreign timber for the construction of her railroads, for the building of her ships, docks and modern houses, for mining and perhaps later on for the manufacture of coffins, and the fact that she has been suffering from all kinds of physical effects of forest devastation—such as droughts, floods, etc., are enough to show how dreadfully unprepared or rather how miserably lacking she is in forest resources.

We are glad, however, that the war, by bringing out so strongly the importance of forest resources in national efficiency and national safety, has furnished a good object lesson for China. It is hoped that during her days of reconstruction forestry will be given due emphasis; for unless this is done, she can never hope to utilize her millions of acres of non-agricultural lands; and if such lands are not utilized she cannot hope to ever compete with other nations industrially, commercially and politically.

University of Nanking, January 12, 1919.

Commercial and Financial Notes

According to Vancouver dispatches, the Canadian Robert Dollar Company plans to operate a through steamship service to India if certain arrangements can be made with the Canadian government regarding to mail service.

On December 6 the United States Chamber of Commerce decided to send delegates to the peace conference. The commission will be available to the American peace delegates in the event that they need assistance in the working out of economic problems that might enter into peace negotiations.

The resumption of the foreign trade of the Standard Oil Company of New York, according to the *New York Journal of Commerce*, awaits the return of the oil tankers from the government service. No country in the Standard group stands to benefit more than New York from peace conditions. For years prior to the war it developed an extensive business with China, and other countries in the Far East. This business was interfered with by reason of the diversion of the company's tankers from that service during the war.

Trade of the United States with the Orient in the year 1918 aggregated more than 1 billion dollars, and in Australasia the total exceeded 1½ billions and was more than at the beginning of the war. A compilation by the National City Bank of New York shows that exports to Asia and Oceania in the calendar year 1918 approximate $600,000,000, against $208,000,000 in 1913, and the imports from Asia and Oceania were over $1,000,000,000, as against $316,000,000 in 1913.

07-328

Recently a shipment of 109 cases of German-made toys and china consigned to Butler Brothers, of New York, jobbers in general merchandise, with branch houses at Chicago, St. Louis, Minneapolis, and Dallas, Texas, arrived from Holland and was refused by Butler Bros., who state that the shipment was made without instructions from them. According to Walter Scott, vice-president of the company, the government was notified through the custom house officials that no more goods would be accepted by them and the company encouraged American manufacturers to manufacture goods to replace those formerly imported from Germany.

Tea Consumption Increased By Prohibition

The marked increase in the importation of tea into the United States lends interest to a statement made by a British tea grower, that world consumption of tea is now exceeding production by reason of the reduced consumption of alcoholic liquors in many of the principal countries of the world. Prohibition, he said, is so increasing the consumption of tea that the world's demands, especially after the reopening of Russia, "must far exceed any possible production for some years to come."

Whether legislation of this character in the United States has or has not affected the consumption of tea, it is at least a fact that the tea imports into the United States are now far in excess of any preceding year. A compilation by the National City Bank of New York shows that the quantity of tea imported into the United States in the fiscal year 1918 was 151,000,000 pounds against 103,000,000 pounds in the immediately preceding year, and 115,000,000 in the high record year 1909. The value of the imports of the fiscal year 1918 is also 50 point greater than in any earlier year, aggregating $31,000,000 in value, against an average of about $18,000,000 per annum in the preceding five years.

Another extremely striking change in the "tea habit" of the people of the United States is the disposition to look to the Indies for our tea supply instead of the China-Japan area as in the past. Prior to 1917 most of the tea reaching the United States came from Japan and China. Out of the 110,000,000 pounds imported in 1916, 53,000,000 came from Japan, 20,000,000 from China, 10,000,000 from Ceylon, 4,000,000 from India, and a little over a half million pounds from the Dutch East Indies. In 1917, however, the amount from the Dutch East Indies advanced to 2,000,000 pounds and in 1918 jumped to over 25,000,000 pounds. The receipts from India and Ceylon also show a marked increase, having been in the fiscal year 1918 45,000,000 pounds against 11,000,000 in 1917. Still more recently this new movement was intensified, and in the eight months ending with August the quantity from the Dutch East Indies was 25,000,000 pounds against 5,000,000 in the same months of 1917, and from the British East Indies 20,000,000 pounds against 3,000,000 in the corresponding months of 1917.

At the Shanghai Hotels.

The following guests have registered at the Astor House Hotel during the week: E. T. Hobart, Hangchow; Mrs. B. A. Kelmett, Australia; H. Martinner, New York; Mr. and Mrs. J. H. Brett; Lieut, G. M. Morse, Peking; T. E. Taylor; W. B. Hart, Shanghai; H. E. Heacock; Shanghai; Mr. and Mrs. E. Thomas; H. J. Asmus, Hongkong; H. C. Snude, Hankow; Mr. and Mrs. C. H. H. Readymorey, Hongkong; Mr. and Mrs. J. Davidson; C. Martin, Manila; J. H. Minor, Los Angeles; Mr. and Mrs. Schlneter, Ningpo; F. Seitv, Harbin; Mr. and Mrs. Gordon, Taku; H. W. Winstead, Hsuchow; C. C. Petree, Hsuchow; F. A. Dickhoff, New York; B. Blix, Local; C. F. Garry, Hankow; Mr. and Mrs. R. Ross, Hongkong; G. E. Hyde, Hongkong; L. E. S. Hodge, Hongkong; W. Vaughan; Mrs. E. Dawn, Hongkong; W. Rosenthal, Hongkong; A. G. C. Daired, Hongkong; Mr. and Mrs. Saionji, Japan; Matsuoka, Japan; Viscount, Moton; Prince Konoye, Japan; Koyama, Japan; Dt. Katsunuma, Japan; Mr. and Mrs. Poftensky; N. Molacarsky; Berdschengky; Ito; Dr. T. Tutundjian, Peking P. Blackwell, New York; T. Poletti, Nanking; Y. Nagashima, Tokio; M. Matsumoto, Tokio; Capt. Taconor; Mr. and Mrs. R. Sisterne, Hankow; Mrs. Care; E. D. Pearson; H. S. Carey, Foochow; Mr. and Mrs. Hearie, Pukow; S. Okabe, Peking; C. Jacobsen, Tsingtao; J. H. Cote, Singapore; S. Nilsen, Liverpool; S. A. Kotsnoloff; J. J. Dermyen; Mrs. Gurelek, Harbin; Mr. and Mrs. S. Lord; F. A. Fairchild, Tientsin; J. W. Alston; Pukow; Mr. and Mrs. S. J. Claye; Mr. and Mrs. Carbonnie, New York; E. E. Stewart; Dr. J. E. Stubberts; A. B. Cody; C. W. Carren; F. Graham, Singapore; Miss Kelly; Miss St. Clair; Miss J. West F. W. Paton; L. R. Ball; A. Walk, Petrograd; Mr. and Mrs. Hunter Mann, Hankow; Master Hunter Mann, Hankow; A. C. Cornish, Tientsin.

The following guests have registered at the Palace Hotel during the week: Mr. and Mrs. Takowloff, Naples; Cont. Josset, France; Mr. and Mrs. S. H. McKean; Lieut. Vernisse, France; Lieut. Vnarin, France; Lieut. Perrin, France; Mr. and Mrs. Zullig, France; Miss Menji; Brack, Switzerland; A. B. Campbell, Dairen; and Mr. and Mrs. T. H. Kins, Hongkong; Kasalk; T. Poletti, Nanking; L. A. Goldsmith, Hongkong; Mrs. L. A. Goldsmith, Hongkong; S. Pennagis, Yokohama; Mrs. L. Leibowitz, Tientsin; F. S. Farrison, Nanking; S. N. Baner, Vladivostock; A. Rosse, Chinkiang; F. J. Mathewhead; Mr. and Mrs. R. H. Shrap; Mr. and Mrs. Steward, Melbourne; Miss P. A. Steward, Melbourne; J. H. Stephen, Melbourne; Mrs. E. A. Wheen, Local; Miss Wheen, Local; James Milan, New York; Mr. and Mrs. H. Jones, Tokio; William Askton, New York; Mr. and Mrs. K. Hoffmeyer, Tokio; Garden Hare, Hankow; J. Sterling, Nanking.

The following guests have registered at the Grand Hotel Kalee during the week: S. Karasseff, Hankow. Mr. and Mrs. J M. Hockmuth, San Francisco; Jos. J. Wierriert de Hogg, Rotterdam; R. Sandstorm, Peking; Nicholas John Plan, Yokohama; C. R. Hansen, Tsingtao; T. Ozawa, Tsingtao; H. L. Beea, Weiheiwei; Mr. and Mrs. Garretson, Nanking; N. Nesson, Tientsin; Henry A. Kiddle, San Francisco; L. L. Nemirowsky, Harbin.

New Books and Publications

Joan of Arc and America

Joan of Arc and the Meaning of Her Life for Americans, by C. M. Stevens. New York: Cupples & Leon Company.

THE world is not all name and form or matter and force. Underneath the unreality of name and form is reality, which is the substratum of the world. It is above time and space and being infinite it transcends the highest flight of human imagination. It is living not dead. It is all in all. It is the infinite repository of eternal bliss and to realise it here in this life is the *sumum bonum* of human life. "For this the universe did revolve." Christ called this reality "Father in Heaven" and the Upnishat calls it Atman. To those who take their stand on this rock of truth life has a different meaning. They live in a consciousness quite foreign to those who are materialistic and nothing in the world can shake their faith. They receive drawn daggers into their hearts like garlands of flowers for they have realised that reality or truth is immortal and invaluable. Such was Joan of Arc, a peasant girl of seventeen, who being led by truth worked wonders and left fame as the greatest heroine in the world. She courted the burning flame with a smile of indifference and blessed the church which so unjustly condemned this Child of Truth.

Germany exemplified materialism, but with all her great preparations and weapons of destruction she began to crumble shortly after America joined in the war. Why? Germany's prophets were Smicht and Nietzche while America's leaders are Emerson, Thorou, Channing

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and Wilson. A nation boasting of these divines—men who stood face to face with truth, God or reality—cannot be faced by one drunk deep in materialism. Not only the Americans but the whole world has to learn the great lesson that "To live Law or Truth is to ride the Law." Life of material pleasures leads to destruction sooner or later and life in truth leads to real happiness now and here. The innocent maid of France has left a great example of spirituality. She stood not for reason, not for will, but for faith born of direct realisation of truth.

This interesting book contains an interpretation of her life and shows the real source of her power and wonderful success. It is a study of the meaning of life. In a clear, impressive and convincing style the book tells of the spiritual truth which if practised can make many a weary heart cheerful. The truth is not without but within and should be sought for in the sanctuary of the heart.

H. P. S.

07-330

In the United States Court for China

Recent Filings:

January 17, 1919; Cause No. 650; In re Estate of Marguerite Dodds, deceased; final account; affidavits; petition for final distribution.

" 18, " Cause No. 530; In re Last Will and Testament of Laura Brown, deceased; oath of administrator *cum testamento annexo*; letters of administration *cum testamento annexo*.

" 18, " Cause No. 573; In re Last Will and Testament of John W. Davis, deceased; resignation of co-executor; final account; petition for final distribution.

" 18, " Cause No. 633; In re Estate of Alice Parker Davis, deceased; final account; petition for final distribution.

" 20, " Cause No. 705; In re Alexander Krisel; respondent's brief.

" 20, " Cause No. 729; United States of America v. Y. S. Leong; information.

" 23, " Cause No. 730; In re Estate of Mary Anna Betines; petition for appointment of administrator; deposition.

Judgments and Orders:

January 17, 1919; Cause No. 650; In re Estate of Marguerite Dodds, deceased; directing final distribution.

" 20, " Cause No. 573; In re Last Will and Testament of John W. Davis, deceased; directing final distribution.

" 20, " Cause No. 633; In re Estate of Alice Parker Davis, deceased; directing final distribution.

Assignments for Hearing:

January 29, 1919; Cause No. 730; In re Estate of Mary Anna Betines, deceased; on petition.

February 10, 1919; Cause No. 661; A. Tapelisky et al. v. Manchurian-American Trading Corporation.

IN re LAST WILL AND TESTAMENT OF JOHN WRIGHT DAVIS, DECEASED; IN re ESTATE OF ALICE PARKER DAVIS, DECEASED
(*Filed January 20, 1919*)

SYLLABUS

1. Evidence: *Presumptions.* Marital status once shown to exist is presumed to continue and any person, especially a female, is presumed to be unmarried in the absence of proof to the contrary.

2. Succession: Under the maxim *Nemo est haeres viventis*, a bequest to a person "or his heirs" is equivalent to a bequest to him if he is living.

3.—Where a brother and a sister are named in a will as "my two children" and are made the sole beneficiaries, and the latter dies intestate before distribution, the former takes her entire estate including her share under the will.

LOBINGIER, J.:

Petitions are presented in each of these causes for leave to make final distribution and for the personal representative's discharge, the latter claiming as the distributee in each instance. The will heretofore admitted to probate in Cause No. 573 bequeaths the entire estate "into two equal parts * * * to each of my two children, John Ker Davis and Alice Parker Davis." It further provides—

> "In case Alice should die unmarried let the entire property be given to John Ker or his heirs i. e. widow or child or children.
>
> "In case Alice should marry and die leaving child or children said child or children shall receive Alice's share."

Alice Parker Davis died intestate, according to proof on file, in November 1917 and it is her estate which is being administered as Cause No. 633. From the language of the will above quoted it is evident that at the date of its execution, October 10, 1912, she was unmarried and while there is no other express proof that she so continued at the time of her death the rule is that a status once proven to exist continues [1] —a presumption which is strengthened in this case by the fact that she was still known by her maiden name at the time of her death. Moreover, anyone,[2] particularly a female,[3] is presumed to be unmarried unless the contrary appears. Under the express terms of the will, therefore, what would have been her share passes to her brother "or his heirs," but in view of the maxim *Nemo est haeres viventis* [4] this phrase is equivalent to bequeathing the property to the brother in case he is living. The designation in the will of the brother and sister as "my two children" also appears to be sufficient proof of the petitioner's averment that he is her surving next of kin.

The statute which governs distribution in such cases reads as follows:

> "If there be a brother or sister, or child or descendant of a brother or sister, and no child, descendant, or father or mother of the intestate, the said brother, sister, or child or descendant of a brother or sister shall have the whole." [5]

The brother being one of the two original beneficiaries named in the will, with a contingent interest in his sister's share, and she having died meanwhile without issue, it is evident from the foregoing that he is entitled to the entire assets of both estates.

It is accordingly considered and decreed that the personal representative in each cause, after payment of all claims against either estate presented within the time required by law, proceed to distribute the entire assets to the petitioner John Ker Davis and that said personal representative be discharged upon filing with the clerk of this Court a receipt in full from the petitioner for all of said property and a further showing that all of such claims have been paid.

By the Court,

CHARLES S. LOBINGIER,
Judge.

1. Moore v. Ry. Co., 173 Mass. 335, 53 N. E. 816, Thayer's Cases, 51.
2. Lackland v. Nevins, 3 Mo. App. 336; Gaunt v. State, 50 N. J. L. 409.
3. People v. Martinez, 13 P. R. 246.
4. Broom's Legal Maxims (8th Ed.), 522.
5. Act of Congress of March 3, 1901, 31 U. S. Stats. at Large, p. 1250, Ch. 854, sec. 381.

In the United States Court for China

In re Estate of
NELS A. SWENSON,
Deceased.

Cause No. 727
Estate No. 274
NOTICE TO CREDITORS

NOTICE is hereby given to all parties interested that the undersigned has been appointed Administrator of the above named decedant's estate in China; that all persons having claims against the said estate are required to present the same for payment, with vouchers, to the undersigned on or before July 11, 1919, and all persons owing the said deceased are required to make payment to the undersigned.

VICTOR E. SWENSON,
Administrator,
Kiahsien, Honan,
China.

January 11, 1919.

In the United States Court for China

In re Estate of
IDA ANSTRICE MOOREHEAD,
Deceased.

Cause No. 724
Estate No. 273
NOTICE TO CREDITORS

NOTICE is hereby given to all parties interested that the undersigned has been appointed Administrator of the above named decedent's estate; that all persons having claims against the said estate are required to present the same for payment, with vouchers, to the undersigned on or before July 11, 1919, and all persons owing the said deceased are required to make payment to the undersigned.

THEODORE P. MOOREHEAD,
Administrator,
c/o Public Works Department,
Municipal Council,
Shanghai, China.

January 11, 1919.

In the United States Court for China

In re Last Will and Testament of MURDO M. MACKENZIE, Deceased. (Supplemental Administration *de bonis non*)

Cause No. 716
Estate No.272
NOTICE TO CREDITORS

NOTICE is hereby given to all parties interested that the undersigned has been appointed Administrator *de bonis non* of the above named decedent's estate; that all persons having claims against the said estate are required to present the same for payment, with vouchers, to the undersigned on or before July 11, 1919, and all persons owing the said deceased are required to make payment to the undersigned.

WILLIAM A. CHAPMAN,
Administrator *de bonis non*,
11, Whangpoo Road,
Shanghai, China.

January 11, 1919.

In the United States Court for China

Andersen, Meyer & Co., Ltd., Plaintiff.
vs.
William K. Grove, Defendant.

Cause No. 673
Civil No. 221
SUMMONS TO ANSWER

THE PRESIDENT OF THE UNITED STATES OF AMERICA to the United States Marshal for China and his deputies,—

GREETING:

You are hereby commanded to serve this Summons to Answer and a copy of the Petition in the above entitled action upon the defendant—

WILLIAM K. GROVE

if found within the jurisdiction of this Court, and to notify him to be and appear before this Court on or before the twentieth day after service hereof to file his written answer hereto on oath.

(SEAL) WITNESS the HONORABLE CHARLES S. LOBINGIER, Judge of the United States Court for China, at Shanghai, China, August 7, 1918.

WILLIAM A. CHAPMAN,
Acting Clerk.

Except from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

In the United States Court for China

In re Last Will and Testament of LEWIS W. MUSTARD, Deceased.

Cause No. 728
Estate No. 275
NOTICE TO CREDITORS

NOTICE is hereby given to all parties interested that the undersigned has been appointed Executor of the above named decedent's estate in China; that all persons having claims against the said estate are required to present the same for payment, with vouchers, to the undersigned on or before July 11, 1919, and all persons owing the said deceased are required to make payment to the undersigned.

EDWARD H. DUNNING,
Executor,
64, Bubbling Well Road,
Shanghai, China.

January 11, 1919.

In the United States Court for China

James Harvie
and
Leslie W. Hutton
doing business under the firm name and style of
Harvie Cooke and Company, Plaintiffs.
vs.
Muller MacLean and Company, Inc., *a corporation*, Defendants.

Cause No. 712
Civil No. 232
SUMMONS TO ANSWER

THE PRESIDENT OF THE UNITED STATES OF AMERICA to the United States Marshal for China—

GREETING:

You are hereby commanded to serve this Summons to Answer and a copy of the petition in the above entitled action upon the Defendants—

MULLER MACLEAN AND COMPANY, Inc.,

if found within the jurisdiction of this Court and to notify them to be and appear before this Court on or before the twentieth day after service hereof to file their written answer hereto on oath.

(SEAL) WITNESS the HONORABLE CHARLES S. LOBINGIER, Judge of the United States Court for China, at Shanghai, China, December 11, 1918.

WILLIAM A. CHAPMAN,
Acting Clerk.

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.